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REPORT

AGRICULTURISTS' RELIEF COMMITTEE IN MYSORE

1935

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REPORT

OF THE

AGRICULTURISTS' RELIEF COMMITTEE

IN MYSORE

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1935

REPORT OF THE AGRICULTURISTS' RELIEF COMMITTEE.

I. PRELIMINARY.

This Committee was constituted by Government Order No. R. 302-73—L. R. 221-33, dated 20th July 1934, in which the scope of the enquiry and the terms of reference are stated as follows :— **Terms of Reference.**

"The fall in price of agricultural products in the State since the year 1931 has affected the prosperity of the raiyat population and although the effect of the fall has been to some extent counteracted by fairly good harvests, the situation has been one of considerable anxiety and Government have been closely watching it."

* * * * *

"At the recent session of the Legislative Council, several non-official members urged that the revenue concessions sanctioned by Government were inadequate and that the extension of the Agriculturists' Relief Regulation had reacted unfavourably on the credit of the agricultural classes and the suggestion was made that a Committee might be appointed to advise Government as to further measures of relief to the raiyats in the present period of depression." Accordingly, the Committee has been constituted with instructions "to make a rapid enquiry into the extent to which the fall in the price of agricultural produce in recent years has affected the resources, debt obligations and credit facilities of the land-owning and cultivating classes in different parts of the State, and to report upon the nature and extent of the assistance that may be given to relieve them from the difficulties caused by the present depression, after an examination of the several measures suggested in this behalf and having in view the present financial condition of the State."

2. The Committee consisted of the following members :— **Personnel of the Committee.**

1. Mr. N. Madhava Rau, B.A., B.L.,
   Revenue Commissioner in Mysore (Chairman).
2. Mr. K. V. Anantaraman, B.A.,
   Offg. *Inspector-General of Police.*
3. Mr. A. K. Yegnanarayana Iyer, M.A.,
   Director of Agriculture.
4. Mr. T. G. Rama Iyer, B.A.,
   Deputy Commissioner, Kolar.
5. Mr. M. G. Mehkri, B.A., LL.B.,
   Registrar of Co-operative Societies.
6. Mr. T. V. A. Isvaran, B.A.,
   Deputy Commissioner, Shimoga.
7. *Rajasabhabhushana* Mr. K. R. Srinivasiengar, M.A.,
   Retired Member of Council.
8. Mr. B. K. Garudachar,
   President, City Municipal Council, Bangalore.
9. Mr. J. Mahomed Imam, B.A., B.L.,
   Member, Legislative Council, Jagalur.
10. Mr. K. Chengalaraya Reddy, B.A., B.L.,
    Member, Legislative Council, Bowringpet.
11. Mr. B. S. Puttaswamy, B.A., B.L.,
    Member, Legislative Council, Mysore.
12. Mr. Hosakoppa Krishna Rao,
    Member, Representative Assembly, Hosakoppa, Kadur District.

Mr. S. K. Venkataramana Aiyar, B.A., B.L., Acting Assistant Commissioner, was appointed Secretary to the Committee.

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Procedure of the Committee.

3. The Committee held 11 meetings on the dates given below :—

2nd August 1934
3rd September 1934
4th September 1934
18th September 1934
10th October 1934
9th November 1934
10th November 1934
29th November 1934
15th December 1934
16th December 1934
29th December 1934

At a preliminary meeting held on 2nd August 1934, the Committee decided that the necessary statistics and information relevant to the points for consideration might be compiled from the available official records, supplemented if necessary, by special reports to be obtained from the Deputy Commissioners of Districts. At a later stage, in response to the desire of some of the members, a detailed questionnaire (*vide* Appendix) was framed and sent to the Deputy Commissioners and they were requested to furnish notes on the points referred to therein after consulting any large landholders, traders and money-lenders in the district who could speak from personal experience about the matters under consideration. The Deputy Commissioners have accordingly favoured us with their opinions and have also sent the replies received from the officers and non-official gentlemen whom they consulted in regard to the questionnaire. The Chairman and some of the members had opportunities of meeting, during their tours, representative landholders in the localities which they visited, and informally ascertaining their views as to the extent of the depression and the measures of relief that could be usefully adopted.

We have also had the advantage of perusing some of the recent literature dealing with the agricultural situation in other parts of India, including the measures of legislation adopted or contemplated therein for relieving indebtedness.

Malnad Depression Enquiry Committee.

4. The problems arising from agricultural depression in the Malnad parts of the State, which comprise one-fifth of the area and contain one-ninth of the population of the State, have been separately enquired into by a Committee appointed by Government in their Order No. R. 5663-68—L. R. 375-30-21, dated 14th April 1931, and presided over by the then Revenue Commissioner, *Rajamantrapravina* Mr. S. P. Rajagopalachari. The report is already before Government. We suggest that it be published and that the recommendations made therein be treated as supplementing our own proposals.

5. Two deputations, one consisting of Messrs. B. K. Rama Bhatta of Koppa and K. T. Satyanarayana Setty of Birur on behalf of the Malnad Commercial and Banking Corporation, Ltd., and another consisting of Messrs. G. W. Mayow, Yellappa Ajile and C. S. Subbanna Naik of Koppa on behalf of the Koppa Coffee Planters, met the Committee on the 10th and 29th November 1934 respectively. The former asked for a recommendation being made to Government for grant of financial assistance to the Corporation which had been brought into existence for the creation of facilities for the marketing of Malnad products and the latter asked for reduction of assessment on coffee lands in the Koppa Taluk this year in view of the very poor crops, due to want of timely rains. The Committee informed the deputationists in both cases that their requests were outside the scope of the Committee.

A third deputation consisting of representatives of Yegati and Hirenallore Hoblis of Kadur Taluk met the Committee on the 15th December 1934 to represent the serious situation this year due to failure of rains.

Interim Recommendations.

6. Pending the formulation of detailed proposals on the sev
Committee submitted interim recommendations to Governme
agriculturists in respect of certain urgent matters.

Special Takavi Loans.

One of these recommendations related to the grant of takavi loans during the current year and was to the following effect :—

(i) That the Deputy Commissioners should be instructed to grant takavi loans liberally under the rules to all agriculturists (including Shikmidars, Mulgenidars, etc.) who have transferable and saleable interests in land.

(ii) That in the case of those agriculturists (*e.g.*, tenants) who may not have any saleable interest in land, such loans may be granted with the consent of the owner of the land, if he offers the land as collateral security.

(iii) That instructions should be issued to the local officers to dispose of applications for loans promptly within two or three months.

(iv) That the rate of interest may be reduced to 4 per cent for a period of two years.

(v) That Government may be requested to increase the budget provision for the grant of loans to the extent necessary, the allotment being immediately raised by one lakh of rupees.

The Government in their Order No. R. 34-43—L. R 221-33, dated 16th—17th October 1934, sanctioned the proposals for one year and limited the grant in each individual case to Rs. 100. The allotment for the year was also increased from Rs. 80,000 to one lakh of rupees.

Postponement of Execution of Co-operative Society Decrees.

The second recommendation related to relief on the following lines in the matter of enforcement of decrees of co-operative societies against agriculturist debtors :—

(i) No postponement of execution need be given in the case of decrees which relate to very old loans in respect of which there has been continued default by the members. Even in these cases, if all interest up to date and a small portion of the principal, say 12½ per cent, is paid, the Revenue authorities may suspend execution and return the cases to the Assistant Registrars for further instructions. The Assistant Registrars may advise in all deserving cases the grant of fresh loans by the societies.

(ii) In the case of decrees which have been obtained in respect of fresh loans granted recently, further time of five or six months till the next harvest season may ordinarily be granted. If, in any case, such extension will be detrimental to the recovery of the amount, the society concerned may make a special application to the Assistant Registrar for immediate steps being taken.

(iii) In regard to the suits filed during the current year, the Assistant Registrars may be instructed to grant time till the next harvest season for payment of all interest up to date and a portion towards the principal, failing which the decrees may be sent for execution.

These proposals were approved in Government Order No. D. 2680-740—C. S. 18-34-2, dated 6th—10th October 1934.

The third recommendation was for the continuance, till the end of December 1934, of the revenue and other concessions sanctioned by Government from time to time. This was accepted by Government in their Order No. R. 1387-97—L. R. 221-33-27, dated 18th September 1934.

II. STATISTICS OF POPULATION AND AGRICULTURE.

7. Before proceeding to examine the questions arising from the slump in prices, it may be useful to bring together, for purposes of reference, some essential statistics relating to agriculture in the State.

8. The population of the State has, during the past thirty years, increased by about 10 lakhs, *i.e.*, from 5,539,399 in 1901 to 6,557,302 in 1931, *i.e.*, by nearly 20 per cent. Of the total population, nearly 84·1 per cent live in rural areas, while the rest, *viz.*, 15·9 per cent live in towns.

9. *Agricultural Population.*—The Census Report (1931) gives the following analysis of the population of the State depending upon agriculture and allied occupations :—

TABLE I.

	Earners (principal occupation) plus working dependents	Earners (subsidiary occupation)
Pasture and agriculture	2,276,700	82,354
(*a*) Cultivation	2,111,796	48,875
Non-cultivating proprietors taking rent in money or kind	48,114	6,252
Cultivating owners	1,416,675	15,439
Tenant cultivators	195,104	7,550
Agricultural labourers ... { Farm servants ... ... } Field labourers	451,708	19,067
(*b*) Special crops such as coffee, etc.	48,742	8,378
(*c*) Forestry	5,237	1,503
(*d*) Stock raising	108,145	13,264
(*e*) Raising of small animals and insects like silk worms	2,780	10,834

10. *Registered Holdings.*—The registered landholders in the State number about a million and may be classified as follows according to the amount of assessment paid by them and the extent of land in their holding (*vide* Season and Crop Report for 1932-33) :—

TABLE II.

A. Classification according to Extent of Land.

	Number	Extent (Acres)
1. Holdings not exceeding 1 acre	117,932	108,167
2. Holdings exceeding one acre and not exceeding 5 acres	463,619	1,316,543
3. Do 5 acres and not exceeding 10 acres	256,283	1,881,141
4. Do 10 do 50 acres	159,135	2,939,551
5. Holdings exceeding 50 acres	21,270	1,824,016

B. Classification according to Revenue Paid.

	Number	Extent (Rupees)
1. Holders paying an assessment of Rs. 5 and under	432,081	15,03,971
2. Do over Rs. 5 but less than Rs. 25	442,493	47,09,719
3. Do over Rs. 25 and less than Rs. 100	113,954	40,59,147
4. Do over Rs. 100	10,068	16,67,172

From the foregoing, it will be seen that nearly 83 per cent of the registered holders in the State own less than 10 acres each, and nearly 87 per cent of the holders pay kandayam of Rs. 25 or less. It may be noted that under our system of revenue registry, no account is taken of hissedars, shikmidars, etc., and it is probable that if information regarding the latter were forthcoming, the number of persons having small holdings and paying small amounts by way of kandayam would be found to be considerably larger than the above figures indicate.

11. *Area Occupied and under Crops.*—Between the years 1905-06 and 1929-30, the extent of occupied area rose from year to year from 72½ lakhs of acres in 1905-06 to 79 lakhs in 1921-22 and 81¼ lakhs in 1929-30. Since then, there has been a fall every year and the figures stood at 79½ lakhs in 1932-33, showing a slight increase of 32,000 over the figures of 1921-22. Compared with the figures of 1905-06, the increase is only 7 lakhs or 10 per cent, while the total population during this period has increased by 20 per cent.

The cultivated area, however, shows a higher percentage of increase, *viz.*, 15. It stood at 5,773,717 acres in 1905-06 and reached the maximum of 67 lakhs in 1929-30. Since then, there has been a fall by nearly a lakh of acres at the end of 1932-33.

The main food crops grown in the State are paddy, ragi, horsegram, avare and jola and the main commercial crops are cotton, groundnut, sugarcane, cocoanut, areca and the plantation crops : coffee, tea and cardamom. Mulberry is also grown in parts of Kolar, Bangalore, Tumkur and Mysore Districts. The bulk of the commercial crops is exported to British India and elsewhere. In respect of one of the important food grains, *i.e.*, rice, the imports greatly exceed the exports, its production in the State being insufficient for local requirements.

The areas under the important crops during the years 1929-30 to 1933-34 are indicated below :—

TABLE III.

Acreage under Important Crops from 1929-30 to 1933-34.

Crop	1929-30	1930-31	1931-32	1932-33	1933-34
Ragi	2,258,854	2,278,682	2,260,250	2,311,445	2,282,736
Paddy	720,825	742,761	731,300	770,277	774,397
Horsegram	783,170	760,028	768,931	802,609	787,209
Cocoanut	142,273	146,430	147,509	162,583	162,982
Jola	759,700	703,078	683,775	666,443	656,810
Groundnut	323,738	313,912	270,936	283,586	254,096
Cotton	75,188	82,624	83,219	91,464	76,767
Coffee	112,676	98,547	99,974	102,713	101,920
Cardamom	...	...	...	20,208	20,836
Areca	48,519	52,150	55,420	47,199	46,608
Coriandor	27,839	48,295	58,336	55,083	51,851
Chillies	64,964	66,808	75,821	77,469	74,080
Tobacco	23,692	22,727	24,606	24,763	24,498
Mulberry	37,497	37,991	33,010	31,407	29,864
Sugarcane	33,186	37,734	36,076	42,093	42,282

TABLE IV.

Exports and Imports of Agricultural Produce.

12. The following table gives the details of imports and exports of the principal agricultural products during the period of depression :—

Commodity	1929-30		1930-31		1931-32		1932-33	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
				IMPORTS				
	Mds.	Rs.	Mds.	Rs.	Mds.	Rs.	Mds.	Rs.
Ragi	11,220	41,690	808	1,848	14,327	29,571	14,688	25,704
Rice (in husk)	22,730	87,592	41,445	1,35,002	10,677	25,412	24,295	60,738
Rice (not in husk)	1,483,085	1,08,04,121	1,110,397	63,69,764	1,206,855	56 04,930	1,369,636	61,63,362
Cotton (raw)	228,349	74,61,215	171,413	38,93,214	135,026	29,89,059	263,478	52,69,560
Cocoanut	35,514	1,56,925	30,606	1,06,173	18,297	56,307	29,876	1,19,501
Coffee	10,945	7,32,506	8,505	4,54,127	8,132	4,33,075	6,626	3,44,552
Groundnut	46,229	3,35,797	79,328	4,25,268	172,490	9,30,439	93,519	3,03,937
Silk (Raw—Indian)	280	1,78,349	378	1,85,765	447	2,31,147	...	...
Areca	82,805	86,89,451	65,381	19,30,502	53,794	16,76,753	64,382	27,01,104
Cardamom	72	14,993	106	9,672	24	2,112	88	10,560
Pepper	5,043	3,47,846	4,445	1,99,588	3,093	93,823	...	...
Jaggery	77,389	7,87,762	44,506	2,86,159	9,054	40,194	28,976	1,44,880
Tobacco	168,398	81,03,950	97,744	49,85,762	104,603	51,91,875	72,814	29,12,560
Gram and pulse	716,212	45,09,817	780,984	44,68,624	898,653	49,82,366	790,850	39,54,250
				EXPORTS				
Ragi	222,741	7,98,983	199,557	4,41,516	163,365	2,65,290	132,438	2,31,767
Rice (in husk)	247,952	9,40,550	166,118	4,70,953	137,785	3,30,226	71,187	1,77,968
Rice (not in husk)	11,054	79,432	16,566	89,507	32,182	1,51,136	9,815	41,918
Cotton	125,436	49,43,003	98,835	22,58,315	73,678	16,04,228	81,121	16,22,420
Cocoanut	150,285	6,72,649	199,447	6,72,824	250,676	8,02,453	218,394	8,73,576
Coffee	24,424	15,55,269	26,750	13,26,561	21,831	11,38,766	30,426	15,82,152
Groundnut	1,323,381	1,00,22,403	1,267,798	61,80,708	794,597	37,41,280	739,219	24,02,462
Silk (Raw—Indian)	6,742	42,67,953	4,793	23,12,924	4,892	22,28,029	...	...
Areca	122,947	55,78,965	146,583	45,63,948	174,468	55,18,814	142,269	59,75,298
Cardamom	11,844	21,04,591	10,195	10,32,771	9,892	8,43,050	12,176	14,61,120
Pepper	2,990	2,10,199	1,779	78,653	2,364	70,881	...	...
Jaggery	85,825	7,77,589	138,442	8,68,351	246 207	10,39,712	154,819	7,74,095
Tobacco	56,148	27,15,136	41,488	21,71,402	58,841	28,14,124	55,962	22,39,280
Gram and pulse	348,887	22,31,992	221,726	11,91,788	165,765	9,63,870	80,495	4,02,476

Statistics of Wages.

13. The fluctuations of wages of skilled and unskilled labour during the years 1920-21 to 1933-34 are indicated in the following statement:—

TABLE V.

Statement of Wages.

Years	Daily wages for skilled labour						Daily wages for unskilled labour						Cart hire per day					
	Rs.	a.	p.		Rs.	a. p.	Rs.	a.	p.		Rs.	a. p.	Rs.	a.	p.		Rs.	a. p.
1920-21 ...	0	8	0	to	2	8 0	0	4	0	to	1	0 0	1	0	0	to	5	0 0
1921-22 ...	0	8	0	to	3	0 0	0	4	0	to	1	8 0				Do		
1922-23 ...				Do						Do						Do		
1923-24 ..				Do			0	4	0	to	1	0 0				Do		
1924-25 ...				Do			0	4	0	to	1	8 0				Do		
1925-26 ...	0	8	0	to	3	4 0	0	4	0	to	2	0 0				Do		
1926-27 ...	0	8	0	to	3	0 0				Do						Do		
1927-28 ..	0	8	0	to	3	8 0				Do						Do		
1928-29 ...	0	14	0	to	2	12 0	0	7	0	to	1	4 0	1	4	0	to	4	0 0
1929-30 ...	1	0	0	to	3	0 0	0	8	0	to	1	8 0	1	8	0	to	5	0 0
1930-31 ...	1	0	0	to	2	8 0	0	6	0	to	1	0 0	1	4	0	to	3	8 0
1931-32 ...	0	8	0	to	4	0 0	0	3	0	to	1	8 0	1	0	0	to	5	0 0
1932-33 ...				Do						Do						Do		
1933-34 ...	0	8	0	to	4	0 0	0	3	0	to	1	0 0	1	0	0	to	5	0 0

III. CAUSES OF DEPRESSION.

14. The causes of the universal fall of prices in recent years are thus summarised in the " World Economic Survey, 1932-33, League of Nations ":—

" There is general agreement that the causes of the decline of prices are many and complex. Important and far-reaching changes in the geographical and technical structure of industry and trade; equally important social developments, such as a rising standard of living, together with lessened flexibility of adjustment; political difficulties arising from reparation and war debt payments and tariff wars; monetary arrangements connected with the post-war currency stabilisations and the working of the new gold standard after it has been restored, international capital movements, security speculation and exchange difficulties—all entered into the back ground of the price fall. The exact degree to which these various factors entered into the combination of causes which precipitated the depression has been a subject of lively controversy."

It would clearly be beyond us, even if it did not fall outside the scope of our task, to try to elucidate a subject of such complexity. We may, however, note that, apart from world causes, whatever they might be, there are no factors that we can see of a purely local character that could have contributed to or aggravated the fall in prices. But more than the causes, we are concerned with the fact of the depression itself, which has been a hard and persistent reality for over four years and with its effects on our agricultural population which, for the most part, are readily discernible.

IV. MOVEMENT OF PRICES.

15. Regarding the prices of the principal agricultural products in Mysore, we have received information from several sources, and some of the members of our Committee have made special enquiries for the purpose in important trade centres. The information thus collected is interesting. But for our immediate purpose, *viz.*, that of illustrating the movement of prices over a long period, we have found it more convenient to confine our attention to the price statistics of Bangalore City. Other trade centres may be more important in respect of particular commodities, *e.g.*, cotton, areca, coffee, etc., but the price fluctuations therein are necessarily reflected in the quotations of Bangalore City also, the local variations, if any, being due generally to constant factors, such as, the cost of transport. Further, an authoritative and continuous record is available for Bangalore in the market reports published by the Chamber of Commerce. The accompanying statement showing the wholesale prices for the period 1914-1934 has been prepared on the basis of these market reports.

TABLE VI.

Statement of Prices of Certain Commodities in the Months of June during the years 1914 to 1934.

Name of commodity	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934
	Rs. a.	Rs. a.	Rs. a	Rs. a.	Rs a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Paddy (per cart-load of 640 seers).	36 0	86 0	36—42	34—40	42—48	68—80	60—75	60—65	68—70	48—50	64-65	61—66	55-61	60—64	55-56	43—45	36—41	23—26	34—38	25—26	22—26
Rice (per palla) ...	15 8	16 0	14½—19	14—20	16--25	27—32½	22—35	18-29	22—28	17—24	21—28	22—26	20½	20—26	19—26	19—25½	14—21	10—15	11½--14½	11—12	10—14
Ragi (per cart-load of 640 seers).	36 0	36 0	35—40	34—40	40—44	95--100	87—92	70—76	68—72	54—58	83—85	68—70	70-74	68—70	64—68	56—64	40—48	20—25	36—40	27-28	26—30
Cholam (per palla).	8 0	8 0	6½—8½	6—7	12—13	16—17	13—14½	16	12—13	11½	13	13½	11½	12½—13	10—11	10½	7½—8½	5—5½	5½—6½	6½—7	5½—6½
	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers	Seers
Horsegram seers per rupee).	14½	14½	13⅝—14	12—13½	9	6⅞—7	6—6½	5½—5⅝	5½—6	9⅛—9⅜	6—6½	8	9⅜—10	5½—5⅝	7	9⅜—10	12—12⅝	14⅛—14⅝	13—13½	5½	13—13½
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Cocoanut (per 1,000).	44 0	39—40	43—44	40—50	50—60	70	70—75	55—60	70—71	72	83	80—85	60 0 0	55—60	60—65	53—58	40—45	28—35	46—56	40—41	28—32
Arecanut (per maund of 25 lbs.)	9 8	9 8	7—14	9—14	8—11⅛	10—14	9—13	8—12	13½—15	13½—14	18—20	15—16	17⅛—18	14--16	18—15	13—16	10—12	9—10⅛	12—14⅛	11⅛—12	8½—10
Groundnut (for 210 seers).	8 0	8 0	9½—10	9½—10⅛	9—10	28—30	24—25½	18⅛	23 8	20-21	23—24	22—23	22 0 0	19—19⅛	18-19	14 8 0	13½—14	9 8 0	13—14	6—7 for 100 seers.	6 for 100 seers
Jaggery (per maund of 28 lbs.)	1 14	1 14	2 2 to 2 10	1 15 to 2 3	1 8 to 1 12	2 6 to 2 14	5 0 to 5 2	4 8 to 5 0	2 12 to 3 12	2 1 to 2 2	3 12 to 4 4	3 8 0 to 3 12 0	2 12 0 to 3 0 0	1 12 0 to 2 6 0	2 1 0 to 2 8 0	3 6 0 to 4 4 0	1 14 0 to 2 8 0	1 0 0 to 1 4 0	1 4 0 to 1 10 0	...	1 4 0 to 2 0 0
Cardamom per 25 lbs.	...	...	...	24—28	20—22	18—24	35—40	20--25	40—50	70—75	95—100	120	60—65	40—45	85—90	70—80	42—52	20—25	35—40	...	21 22
Silk cocoons ...	...	...	...	...	...	...	...	...	...	...	Rs. a. p. 0 10 2	0 9 8	0 9 6	0 9 3	0 8 3	0 7 6	0 4 7	0 5 0	0 4 10	0 3 0	...
Coffee, Peaberry ...	...	...	14½—15½	12—13 12—12½	12—14	20—22	21	15	25	20—22	23—24	23—24	28—29	25—29	103—105 per cwt.	113¼—115	85—88	82 -84	96—98	...	85 -88
Do Parchment...	...	...	10—11⅛	9—9½	9⅛—11	15—16	15 8 0	12	24	14—14½	18—20	16—17	23--24	19—24	87--91 per cwt.	96—99	76—81	72—74	73—76	...	66—68
Do Native ...	...	...	9—10¼	7½—8½ 6½—7½	8—9	13—14	12 8 0	8	16—18	...	...	...	...	...	20—22 & 17—19 per 28 lbs.	22½—19½	14—15— 12—12½	14—14½ 9—10	69—70— 55—58	...	40—42
Cotton, small cuppas per maund.	...	...	...	...	...	...	...	...	...	...	5 15 3	4 3 6	3 4 6	3 5 6	3 15 9	3 7 6	2 2 6	1 14 0	1 13 6	1 11 3	1 12 6
Do big cuppas per maund.	..	...	...	...	...	...	...	...	...	...	6 2 6	4 9 0	3 5 0	3 7 6	4 7 0	3 7 3	2 6 9	1 14 6	2 0 0	1 11 0	1 12 0
Javary cotton per candy of 500 lbs.	Davangere Market			...	...	...	...	...	...	...	385 0 0	286 0 0	198 0 0	201 12 0	233 5 3	202 2 6	135 0 0	120 11 0	106 7 0	103 8 0	112 5 0
Double roller cotton for 500 lbs.	...	...	...	...	...	...	...	...	...	...	400 8 0	275 0 0	196 5 0	181 4 0	237 1 0	211 0 0	144 11 0	103 5 0	129 0 0	101 8 0	106 6 0

Between the years 1914 and 1920, there was a gradual rise of prices from year to year and the pinnacle was reached in the year 1919-20 following the cessation of the Great War. Subsequent to 1920, the prices began to fall until 1923 when they rose again and kept steady until 1928. They commenced declining once again after 1929. The fall continued from year to year until 1932, when it was arrested and the prices showed a tendency to rise. This rise was, however, very temporary and the prices began to decline once again until they reached their lowest level in June 1934.

Extent of Fall.

A comparison of the prices in June 1934 with those that prevailed in 1929 will show that the prices of all the commodities had not fallen in the same proportion. Ragi, groundnut, mulberry and jaggery suffered most, the prices having come down to nearly a third of the 1929 level. But speaking generally, it may be stated that in the aggregate, the prices of agricultural commodities had fallen by nearly 50 per cent during these four years and that the gross money value realised by the agriculturist must have decreased to that extent.

16. Soon after the Committee commenced its work (about August 1934), a marked increase of prices occurred in the case of some of the staple products, like rice, ragi, jaggery, etc. This was probably due to the apprehended shortage of crop owing to the failure of rains and other causes. But this rise in prices came too late in the year to bring any relief to the majority of the agriculturists who had already parted with their stock of surplus grain. Further, being the result of popular scare and of the speculative activities which follow in its wake, it proved to be shortlived and the recent rains have brought down the prices again to some extent. But even at their present level, the prices of food grains, particularly ragi, are distinctly better than they have been in recent years, though their continuance cannot be counted upon. In the case of commercial crops, such as areca, cotton, etc., there has been no improvement even for a brief period.

The changes of price since June 1934 are shown in the following table :—

TABLE VII.

Change in Price of Certain Commodities since June 1934.

Commodity	June 1934	July 1934	August 1934	September 1934	October 1934	November 1934
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Paddy (640 seers)	22—26	22—26	22—30	32—36	38—42	35—40
2. Ragi (640 seers)	22—24	26—30	28—30	33—38	46—50	42—45
3. Cholam (100 seers)	5 12 0 to 6 8 0	5 12 0 to 6 8 0	5 8 0 to 6 8 0	6 8 0 to 7 0 0	8 8 0 to 9 0 0	9 0 0
4. Horsegram (per rupee) ...	13½ to 14 seers	13 to 13½ seers	13 to 13½ seers	11 seers	10 seers	11½ to 12½ seers.
5. Cocoanut (per 1,000) ...	28—32	28—32	30 to 36	30 to 36	27 8 0 to 35 0 0	30 to 35
6. Groundnut (per md. of 45 seers)	0 10 0 to 0 11 0	10 annas to 12 annas.	0 15 0	0 15 0	1 0 0	1 0 0
7. Jaggery (per 28 lbs.) ...	1 4 0 to 1 14 0	1 4 0 to 1 14 0	1 12 0 to 2 8 0	2 6 0 to 2 14 0	2 4 0 to 2 5 0	2 0 0 to 2 8 0
8. Copra (per 24 lbs.)	3 12 0 to 4 0 0	3 8 0 to 4 0 0	3 8 0 to 4 0 0	3 0 0 to 3 4 0	3 2 0 to 3 4 0	3 0 0 to 3 4 0
9. Areca (per 25 lbs.)	8 8 0 to 10 0 0	8 8 0 to 10 0 0	8 8 0 to 10 0 0	8 8 0 to 9 8 0	7 8 0 to 8 4 0	7 8 0 to 8 4 0
10. Cardamom (per 25 lbs.) ...	21—22	20—21	25—30	25—30	25—30	25—30
11. Coffee, per cwt.						
Peaberry	82—85	85—88	85—88	85—88	86—88	86—88
Parchment	66—68	66—68	66—68	66—68	62—65	62—65
Native Flat	40- 42	40—42	40—42	40—42	40—42	40—42

V. EFFECTS OF THE DEPRESSION.

17. In considering the effects of the agricultural depression, severe as they are, we must not fail to note that the situation is not without some satisfactory features. In the first place, as the figures in Table III will show, there has been no shrinkage in the area under cultivation. On the other hand, the acreage under all the principal food crops (except jola) shows a material increase.

Secondly, during the whole of the period of depression (with the exception of the current year), the rainfall and seasonal conditions have been generally favourable and the outturn of crops, particularly of the food crops, has been better than the average.

Thirdly, there has been no lack of employment for agricultural labour.

Fourthly, the statistics of railborne exports and imports show that, taken as a whole, the external trade of the State had not suffered seriously in volume, although, of course, it is reduced in value.

But for these favourable factors, the situation would have been one of extreme gravity. And even as it was, the agricultural classes found themselves in serious difficulty. During the period of high prices following the conclusion of the war, their standards of living had risen and entailed a larger expenditure for the purchase of articles and services required to meet their increasing wants. At the same time, their debt had also increased as the appreciation of land values had tempted and enabled them to borrow more largely. The reduction of the money income by about one half which was the direct result of the slump, made it impossible for many of them to live in the style to which they had got accustomed and at the same time to meet their extended obligations.

Effect on Several Classes.

18. It cannot, however, be said that all classes of raiyats are equally affected by the fall in prices. Field labourers who constitute about a fifth of the agricultural population are little worse off than before. Their wages in grain remain unchanged. Money wages too kept steady during the earlier years of depression and if they since declined, the fall has been less in proportion than the fall in prices so that the "real wages" of agricultural labour have scarcely suffered.

The tenant cultivators have no obligation to pay taxes. Their rents are generally paid in kind and even where money rents are in vogue, they are, except in the Malnad, generally in a position to dictate their own terms to their landlords.

The peasant proprietors form the bulk of the agricultural population. They generally grow all the grain required for their household requirements and such small amounts as they require for payment of services, taxes, etc., are obtained by selling non-food crops or from the profits of subsidiary occupations. There are a variety of such occupations available in the vicinity of towns and cities, (*e.g.*, selling milk, curds and vegetables, hiring of carts, etc.) which still form an important source of income to the suburban raiyat. But the peasant owners in the interior parts have no such advantages. The cultivation of non-food crops, the rearing of cattle, goats, sheep and silkworms and such like occupations on which they depended have ceased to be remunerative. Besides, it is believed that this class of agriculturist is more heavily in debt than either the tenant cultivator or the labourer who enjoys comparatively little credit.

The classes which are most hard hit by the depression are the landholders who do not cultivate their lands at all or cultivate only a small portion of their holdings. The lands are leased to tenants and a certain proportion of the lands generally lies fallow. Except in the Malnad, the financing of cultivation, including the payment of all fixed charges, falls upon them, and their debt is of serious proportions.

Effect with reference to Crops.

19. The fall in prices has not affected the growers of all the crops to the same extent. The cultivators of some of the crops have particularly suffered, while the hardship in the case of others is not relatively so great. An attempt was made to evaluate the income, extent and net profits per acre in respect of each crop, but the information that we obtained was so discrepant that we were unable to base any definite conclusions on it. We are, however, satisfied that in the cultivation of some of the crops like ragi, jola, cotton and groundnut, the margin of net profit left to the cultivator is comparatively low. Groundnut cultivation, particularly, has had considerable vicissitudes owing to the abnormal fall in the value of the crop to nearly a third of its original price, so much so that it seemed almost unprofitable to continue the cultivation of this crop.

Value of Land.

20. The registration statistics show that the amount of sale and mortgage transaction rose from Rs. 192 lakhs and Rs. 193 lakhs in 1920-21 to 238 lakhs and 224 lakhs respectively in 1929-30, when the prices of the agricultural commodities had reached a high level. Since then, on account of the fall in the return from land consequent on the abnormal fall in the prices, there has been reluctance on the part of the people to invest their money in land and a preference to make better profit by money lending or other means, such as investment in Government Securities, etc. This tendency is reflected in the reduced value of registered sales and mortgages, which stood at Rs. 1,67,45,200 and Rs. 1,57,85,625 respectively per year, on the average, during the period of depression.

Such information as we could obtain shows that the fall in land values varies from 25 to 75 per cent in different parts of the State. Speaking generally, we are inclined to think that 50 per cent may be taken as the average decline in the value of land.

TABLE VIII.

Statement showing the Number and Value of Transactions in the Mysore State by Sale and Mortgages during the Years 1920-21 to 1933-34.

Year	Sales		Mortgage	
	No.	Amount	No.	Amount
		Rs.		Rs.
1920—21	62,912	1,92,55,649	64,164	1,98,27,888
1921—22	64,227	1,93,97,553	65,736	1,96,46,172
1922—23	59,466	1,92,51,065	61,250	1,81,50,276
1923—24	55,787	1,62,67,568	61,919	1,76,37,308
1924—25	58,983	2,03,67,541	69,808	1,96,91,893
1925—26	69,801	1,99,50,241	73,079	1,90,53,038
1926—27	69,726	2,14,22,225	70,663	1,91,01,312
1927—28	76,298	2,27,30,717	74,919	2,09,61,972
1928—29	79,559	2,43,33,824	78,986	2,16,76,428
1929—30	74,913	2,38,36,547	74,209	2,24,62,236
1930—31	57,746	1,69,32,980	57,034	1,69,11,340
1931—32	58,092	1,64,76,840	52,605	1,69,01,764
1932—33	66,602	1,78,99,078	54,817	1,65,16,278
1933—34	61,215	1,56,71,900	48,106	1,28,13,129

Agricultural Credit.

21. The agricultural depression has had marked effects on the credit of the cultivator and the relations between the money lender and the borrower. The inflation of prices after the war and the consequent appreciation of landed security enabled the agriculturists to command greater credit, and this was fully availed of by the bulk of them. The indebtedness increased owing to fresh borrowings on the top of the old debts, swelling the interest charges which the agriculturists had to pay from their income. Since the depression began, the payment of interest has ceased to be regular, and it is believed that the liability has, during the past four years, greatly increased. In these circumstances, it is natural that the money lenders should be chary of giving fresh loans on the security of lands which are declining in value. The value of registered mortgages, as stated already, has declined to an appreciable extent. It is understood that current mortgages do not, in many cases, represent fresh money lent, but are merely cover for previous unsecured debts. If there is one thing that has been unequivocally brought out in the information supplied to the Committee from various quarters, it is the contraction of agricultural credit at the present time and the tendency on the part of moneylenders to limit fresh business.

Co-operative societies have had perforce to adopt a similar policy in the issue of loans to their members. As the Registrar of Co-operative Societies has observed in his Report for the year 1932-33, " there was contraction in the grant of loans, by both the banks and societies, with the consequence that much surplus capital which would have been loaned out remained idle. Deposits could not be accepted, and the rate of interest on them was also reduced. Owing to the non-realisation of interest from members on the loans issued to them, the profits earned decreased, and consequently, the rates of dividend declared by many of the societies were less than in previous years."

VI. AGRICULTURAL INDEBTEDNESS.

22. Several investigations have been made in the past by the Co-operative Department and by individual investigators to ascertain the extent of agricultural indebtedness in different parts of the State. These investigations, so far as reliance can be placed upon them, show that even in villages where the burden of debt is comparatively light, 50 per cent of the agricultural population are indebted and the average debt per agriculturist is about Rs. 20. At the other end of the scale are found villages in which there is hardly a family without debt, which averages Rs. 100 per head or more.

Estimate of Debt.

According to the calculations made by the Banking Enquiry Committees of Bombay and Madras, the average debt of the agriculturist in these provinces is said to be Rs. 50 and Rs. 49 respectively. As the conditions in this State are not very different, we shall not perhaps be far wrong in assuming Rs. 50 as representing roughly the average debt of the agriculturist in Mysore. On this basis, it would appear that the agricultural debt in the State must have been in the neighbourhood of Rs. 25 crores before the depression set in. As a result of the depression, the interest charges have remained mostly unpaid so that the volume of the total debt at the present day, inclusive of the accrued interest, would not be less than Rs. 35 crores. This represents nearly 30 times the land revenue assessment of the agricultural lands.

In the replies received to our questionnaire, the opinion is generally expressed that the volume of debt of the landowners, large and small, has been very much on the increase and that in a fairly large number of cases, the debt is very nearly equal to, if not greater than, the value of the assets of the debtors and that in these cases the liquidation of the debt from the current income is out of the question.

Effects of Debt.

23. As regards the effects of this huge volume of indebtedness on the economy of agriculture, we cannot do better than quote the following passages from the Report of the Indian Central Banking Enquiry Committee :—

"The existence of a heavy burden of debt exercises a most detrimental influence on agricultural progress. An important source of credit is not only drained for unproductive purposes but the potential credit available for improvement is also correspondingly curtailed. In the case of usufructory mortgages particularly, the mortgagor too often declines to the position of a permanent tenant under the mortgagee, paying not a fair rent, but the utmost the lender can extract or extort."

"The cultivator is obliged by reason of his indebtedness to sell his produce to his creditor at an unfavourable season and at a price detrimental to himself. When moneylenders are also shopkeepers and commission agents, they often make it a condition that the agriculturists' produce must be sold through them. This very seriously affects the liberty of action in marketing the produce . . . . . Even when the moneylender is not a trader and does not want to buy the produce, he knows that if the debtor does not pay after selling his produce, it will not be possible for the latter to pay till after the next harvest. He has, therefore, to put pressure on the debtor immediately after the harvest, and the effect of this pressure is so great that the borrower is compelled to dispose of his harvest as quickly as he can. As every grower is equally pressed for cash and has to sell at the same time, the price obtained by the cultivator is naturally depressed in consequence."

Lines of Relief.

24. The situation is one of urgency and calls for measures of relief of an expeditious character. We have studied the action taken and the proposals made to meet the situation in the various parts of British India and Indian States and note that they generally proceed upon the following lines :—

(i) Controlling rates of interest on loans, sometimes with retrospective effect.

(ii) Prevention of expropriation of agriculturists during the present period of depression ;

(iii) Establishment of Debt Conciliation Boards, and

(iv) Enactment of a simple rural insolvency law.

The measures coming under the first category will be dealt with in a later part of our report.

Agriculturists' Relief Regulation.

25. The action taken or contemplated under the second head comprises the enactment of special measures of agricultural relief having for their object the prevention of the sale of land unless it is specifically mortgaged, the empowering of courts to permit payment of debts in instalments instead of subjecting the properties precipitately to sale and allowing courts to go behind the transaction and reduce the interest in cases where this is found to be oppressive. Legislation on these lines was introduced in Mysore in 1928 by the enactment of the Agriculturists' Relief Regulation which applies to agriculturists whose yearly income from sources other than agriculture does not exceed Rs. 500 and the aggregate income from all sources does not exceed Rs. 1,000. Under its provisions, immoveable property which is not specifically mortgaged for a debt is exempt from sale and in the case of all debts, secured as well as unsecured, courts can permit repayment in instalments extending normally up to eight years. This Regulation has now been extended throughout the State and the concessions afforded therein are available to all persons coming within the meaning of 'agriculturists' as defined therein.

Other Measures.

26. Among measures of a more drastic character which have been suggested under this head are the scaling down and re-assessment of debts with reference to the fall in the value of the agricultural commodities, the regulation of sales of land in execution of decrees against agricultural debtors so as to ensure that the creditors do not get more land now in satisfaction of their debts than they could have had but for the slump, and the postponement of the sale of the debtor's immoveable properties in execution of decrees until the situation improves. These measures, although they have been sometimes advocated, have not, so far as we are aware, been adopted in any Province. Obviously, they raise issues of a highly controversial character.

Debt Conciliation—Action taken Elsewhere.

27. The idea of establishing Conciliation Boards found expression in the recommendation of the Royal Commission on Agriculture that in areas where debt is known to be beyond the capacity of the people to pay, conciliation bodies might be tried. The Indian

Banking Enquiry Committee was also of the opinion that the problem of indebtedness should be tackled by bringing about conciliation between the debtors and creditors with the object of securing a composition of the standing debt. With the increase in the volume of this debt caused by the slump, the need for some conciliation procedure is being widely recognised. A scheme of debt conciliation has been carried out in the Bhavanagar State by which a debt of nearly 86¾ lakhs is said to have been compounded for 20½ lakhs and the whole debt has been paid off by the Government of that State. An Act has been passed for the conciliation of debts by the Legislature of the Central Provinces in the year 1933, and so far six Debt Conciliation Boards are said to have been established under the Act. Till the end of August 1934, these Boards settled debts amounting to Rs 27·76 lakhs for Rs. 15 86 lakhs, reducing the debt by 41 per cent. The main feature of the scheme of the Central Provinces is the appointment by Government of Conciliation Boards to examine the entire transaction and adjudicate the amount to be repaid and determine the mode of repayment with reference to the nature of the loan, the relation between the parties, etc. The scheme provides that if creditors to whom not less than 40 per cent of the debts are due come to an amicable settlement with the debtor, such settlement shall be reduced to writing in the form of an agreement and shall take effect as a decree of Civil Court and that in cases of refusal by the creditor to agree to the settlement considered fair by the Board, a certificate shall be granted by the Board and that from the date of such certificate, the courts will not allow costs or interests on the debts in excess of 6 per cent.

Legislative action on more or less the same lines is understood to be under contemplation in some of the other British Indian Provinces also.

28. This question was considered by us at a number of meetings. We have also had the benefit of a discussion on the subject with Mr. M. L. Darling, I.C.S., Officer on Special Duty with the Government of India, who was good enough to be present at one of our meetings.

Recommendation.

We consider that a measure of debt conciliation might with advantage be tried in Mysore so that the standing debt may be brought down within the repaying capacity of the debtor. It is seen that a large number of raiyats' holdings have already been sold in satisfaction of debts and further losses are likely to ensue unless adequate action is taken. We are not unaware of the possible criticism that even if the entire debt is wiped out, a debt of as large a magnitude may reappear in a few years. Some of us consider that conciliation may shake the credit of the agriculturist and produce other undesirable effects. But the situation just at present is so extraordinary and the volume of debt which has accumulated is so great that such a measure appears to most of us to be unavoidable if the agriculturists as a class are to be enabled to preserve their lands.

Conciliation of debts is not new in this country and instances are not wanting in which even at the present day the debtor and creditors conjointly seek the aid of a panchayet to effect a composition of the debts, so that while the creditors forego a portion of what might be justly due to them something is left to the debtor wherewith he can live and make a fresh start in life. It is the weakening of this traditional spirit of give and take that makes resort to legislation necessary.

We understand that, in places where the scheme of conciliation has been tried, creditors have freely resorted to it and a large volume of debt has been compounded. The main reasons which have influenced the creditors in consenting to conciliation are the saving of the heavy cost on account of stamp fees and other court charges and the avoidance of the uncertainties and worries of litigation. Even secured creditors have, it would appear, been willing in many cases to come under the scheme provided their preferential position is safeguarded.

Conciliation Boards.

29. As regards the agency for conciliation, the Indian Central Banking Enquiry Committee recommended the appointment of special officers in each Province for bringing about conciliation by means of propaganda. The enactments which have either been passed or which are under contemplation in the British Indian Provinces provide for the establishment of Debt Conciliation Boards in each district or part of a district consisting of a chairman and two or more members appointed by the Local Government. For our own part, we consider, having regard to the conditions prevailing in Mysore, that it would be better to appoint *ad hoc* Boards for each case preferably from among the persons residing in the area to which the debtor or the creditors belong, so that they can bring to their aid their personal knowledge of the local conditions, the relationship between the parties and the nature of the transactions. The Board might be composed partly of nominees of the debtor and partly of those of the creditor with a chairman to be selected by the court.

30. The Central Provinces Act and the Bills under contemplation in the other British Indian Provinces provide for the proceedings in conciliation commencing with the application by a debtor or a creditor to the Conciliation Board; we consider that application should be filed before the Civil Court having jurisdiction in the area, which may, in the first instance,

ascertain whether the case is one fit for going before the Conciliation Board, and may refer only such cases to the Board for settlement.

Principles of Conciliation

31. We consider that the Debt Conciliation Boards should be guided by certain definite principles in arriving at the amounts for which debts should be compounded. We therefore suggest that the following aspects should be considered by the Boards in arriving at a decision :—

(i) The amount of consideration actually received ;

(ii) The reasonableness or otherwise of the rates of interest contracted for ;

(iii) The amount of interest that has been allowed to accumulate ;

(iv) Onerous conditions, if any, that have been coupled with the grant of loans ; and lastly,

(v) The repaying capacity of the debtor.

While the secured as well as the unsecured debts will be reviewed on the above considerations, in the matter of realisation, however, the secured debts will have preference over unsecured ones. In cases in which the conciliated debt cannot be paid immediately, but is ordered to be paid in instalments, payment of reasonable interest on the compounded debt should be provided for, unless equated payments including interest are fixed.

Details of Scheme.

32. We would accordingly recommend a scheme on the following lines :—

A debtor or any of his creditors may apply to the Civil Court of competent jurisdiction to effect a settlement, provided that no application should be made if the total debts exceed a sum to be fixed with particular reference to the conditions of the agriculturists in Mysore. We would, for the present, limit the cases to go before the Board to those in which the total amount of debt does not exceed Rs. 10,000. Every application presented by the debtor should furnish complete particulars regarding his assets and liabilities together with a statement that he is unable to pay his debts ; while the application presented by the creditor should furnish information about the amounts and the particulars of his claims against the debtor. The court should, on receipt of this application, and after such enquiry as might be necessary, appoint a Conciliation Board consisting of not less than three or more than five members, of whom an equal number should be nominated by the debtor and the creditors respectively, the chairman being selected by the court. The Board should call upon the debtor and his creditors to explain their respective cases and endeavour to induce them to arrive at an amicable settlement and for that purpose, it should have the power to require the attendance of witnesses and the production of documents and to receive evidence. It might also submit a special case for the opinion of the court on any question of law involved. If all or any of the creditors come to an amicable settlement with the debtor, such settlement should be reduced to writing in the form of an agreement recording the amounts payable to the creditors and the manner in which and the times at which they are to be paid and the court shall pass a decree in terms of such agreement.

If a debtor defaults in paying any amount fixed under a decree, such amount should be recoverable, in the first instance, as arrears of land revenue on the application of the creditor made within 90 days of the date of default and if the Deputy Commissioner fails to recover any part of the amount as arrears of land revenue, the matter should be reported to the Civil Court and thereafter the amount shall be recoverable through the process of the court.

If, however, any creditor does not agree to an amicable settlement, the Board, may, if it is satisfied that the debtor has made such creditor a fair offer which the creditor ought reasonably to have accepted, grant the debtor a certificate in such form as may be prescribed in respect of the debts owed by him to such creditor provided that the creditors to whom not less than 40 per cent of the debts are owing have come to a settlement. In the event of a creditor filing a suit for the recovery of debts in respect of which a certificate shall have been granted, the court shall not allow the plaintiff any costs in such suit or any interest on the debt after the date of certification in excess of simple interest at 6 per cent per annum on the amount due on the date of such certificate and if the suit is in respect of an unsecured debt, the execution of the decree passed in the suit shall be postponed till all amounts due under the settlement are paid, or till the agreement has ceased to subsist.

Conciliation—Voluntary or Compulsory.

33. The question whether conciliation should be voluntary or compulsory was discussed by us at some length. Some of the members considered that the principle of compulsory conciliation would affect the credit of the agriculturist and that therefore the scheme, if introduced, should be only on a voluntary basis, that is to say, it should be open to any party to accept or reject the offer of the Conciliation Board. While all of us are agreed about the desirability of introducing a scheme of voluntary conciliation on these lines, some of us are inclined to doubt whether this will by itself be sufficient. Although the parties may come to a voluntary settlement, there may be cases where the creditors will not agree to conciliation and the whole proceedings may prove futile. The Indian Central Banking Enquiry

Committee have suggested that in cases in which the lender will not agree to a voluntary settlement of the debt, it will be necessary to take action to secure a compulsory settlement by means of legislative enactment. Such of us as hold this view would therefore suggest that while the scheme may generally be of a voluntary character, the possibility of having to introduce some measure of compulsion should not be overlooked. Provision may, therefore, be made in the Regulation to be enacted, whereby the Government may be enabled to extend the scheme on a compulsory basis in such areas in which they may consider such extension advisable or expedient. Under the compulsory scheme, whenever the parties do not come to a settlement, it should be open to the Board, after considering the case on its merits, to pass an award indicating the amounts payable to the creditors and the manner in which and the times at which the same should be paid and such award should be reported to the Civil Court concerned which would pass a decree accordingly.

Payment of Compounded Debt.

34. A scheme of conciliation to be successful should provide for some effective means of repayment of the compounded debt. The creditors could be induced to make considerable sacrifices if the compounded debts are paid down in cash or their repayment without any further effort on their part is assured to them. The methods of assistance generally provided by Government for this purpose are either direct or indirect :—(1) the Government may itself pay off the creditors or guarantee payment to them, or (2) the payment may be made by banking institutions financed and controlled by the State, or (3) Government may only undertake to recover the settled debt by instalments, as they fall due, as arrears of land revenue.

The first method of paying off the creditor in cash has been adopted in the Bhavnagar State. The Government of Cochin has recently sanctioned a scheme of advancing money to creditors for part of the debt due to them by the debtors and of assigning to them bonds guaranteed by the Government for the balance of the debt. Lands of sufficient value are to be hypothecated by the debtors for the loan, which is made repayable in 30 years along with interest at 6 per cent. The question of issuing bonds by Government for paying the debts is said to be under contemplation in one of the British Indian Provinces also.

The payment of the debt by the State in cash or bonds is the more simple and efficacious method, but practical considerations and the amount involved preclude any attempt at its adoption in our State.

Co-operative Societies and Land Mortgage Banks

The appropriate agencies in our view for paying off the liquidated debts, or at any rate, a portion thereof, are the Co-operative Societies or the Land Mortgage Banks, according to the length of the term over which the recovery has to be spread. It must, however, be recognised that whether repayment is made by the Government or any other agencies they can help only in cases where the debtor has adequate security to offer. The Land Mortgage Bank has at present been granting loans up to 50 per cent of the value of the properties to be hypothecated as security for the loans, and this margin has been adopted apparently in view of the fluctuations in the value of land and the risk on account of the possible deterioration of the properties. It is, no doubt, a wholesome practice and one which has stood the Bank in good stead in its transactions before the depression set in, but now that land values have gone down to very near the minimum, a margin of 50 per cent is, in our opinion, unduly restrictive. Having regard to the potential increase in the value of lands, we would propose that the limit up to which loans may be sanctioned may well be raised to 70 per cent of the present market value as the maximum.

35. The proposals made by us would necessitate the extension of the operations of the Land Mortgage Banks on a large scale, and even apart from the introduction of conciliation procedure, there is need for the rapid extension of Land Mortgage institutions throughout the State for the amortization of the agriculturists' debt, as also for providing the agriculturists with long term credit.

The Land Mortgage Bank in Mysore which was started for this purpose in November 1929 confined its business at the beginning to three taluks in the Malnad and one taluk in the Maidan. Its operations have gradually extended and at the end of last year covered fourteen taluks and two sub-taluks. The Government have recently sanctioned the extension of the scheme to four more Taluks. The authorised share capital of the Bank is Rs. 5,00,000. In addition, the Government have permitted the Bank to issue debentures up to Rs. 20 lakhs and have guaranteed the repayment of the interest as well as principal of the debenture loan. The President of the Bank and the Trustee are nominated by Government and the institution is subsidised by Government in respect of its working expenses. With the experience so far gained and the support which the Government have accorded to the scheme, its further development seems to be assured. It should not be many years before primary banks are established in all the taluks of the State. These banks will be of material assistance in bringing about the conciliation of debts as well as in arranging for their discharge.

36. The Co-operative Societies and Land Mortgage Banks can advance loans only to those debtors whose assets afford the margin of security required by these institutions.

In the case of persons who are unable to give such security, though solvent, the only relief that can be given is to allow them to pay in instalments spread over a fairly long period and to provide them with a certified statement of their debt obligations.

Rural Insolvency.

37. There would still remain a class of debtors whose conciliated debt being far in excess of their assets must be dealt with in a different manner. Such debtors should be afforded a chance of surrendering all their assets and being adjudged as insolvents so that they may earn their living, if they can, freed from the perpetual bondage of an impossible debt. We consider that in such cases the Conciliation Board should report the matter to the court concerned which may, in the absence of any valid objection or reasons to the contrary, deal with the reference as if it were an application under the Mysore Insolvency Regulation. For this purpose, it is not necessary to insist that the debts of the debtor should amount to Rs. 500 (*vide* Section 10 of the Insolvency Regulation of 1925); a lower limit would be enough. The courts may also be empowered to make an order under Section 74 of the Regulation for the administration of the debtor's estate in a summary manner although the value of the property may exceed, in value, five hundred rupees. We would suggest that this latter limit may be suitably increased.

VII. AGRICULTURAL FINANCE.

38. The following are the main agencies which have been providing credit to the agriculturist :—

(i) Government.

(ii) Co-operative institutions.

(iii) The private moneylenders and Joint Stock Banks.

Government Loans.

39. The Government have been granting loans for agricultural purposes under the Land Improvement Loans Regulation and takavi loans under Section 194 of the Mysore Land Revenue Code. The former are granted for carrying out works which add to the letting value of the land and the latter for purposes which mostly come under what are known as short term credit, such as the purchase of seed grain, ploughing cattle, fodder, manure, construction of agricultural houses, purchase of agricultural implements, etc. During the years 1920-21 to 1933-34, a sum of Rs. 22½ lakhs has been advanced on account of Land Improvement Loans and Rs. 17½ lakhs as takavi loans. These loans bear a low rate of interest and in view of the depression, the rates of ordinary and penal interest have been further reduced from 6½ and 8 per cent to 5½ and 6½ per cent respectively for a period of one year from January 1934. Having regard to the present condition of the agriculturist and the difficulty felt by him for meeting his current needs for agricultural operations, we recommended to Government, as an emergent measure of relief, the grant of takavi loans on a liberal scale and the increase of the allotment for the current year by another lakh of rupees for the purpose. In regard to interest, we considered that the present rate was capable of further reduction and recommended that during the period of depression loans might carry interest at 4 per cent. Our recommendations have been, in the main, accepted by Government and the grant has also been increased during the current year to one lakh of rupees. We have no doubt that further grants will be available, if required.

The system of Government loans is serving a useful purpose and meeting a real need, though its benefits are unfortunately limited. The chief complaints in regard to the administration of these loans are that the funds provided for the purpose are not enough, that the system is not sufficiently well known to the people, that there is delay in the disposal of applications and that repayment of the instalments is enforced too rigorously.

Improvement Suggested.

40. There is doubtless some foundation for these complaints though they are apt to be exaggerated. Some delay is inevitable as the necessary enquiries preliminary to the grant of loans have to be carefully carried out and greater elasticity in the rules would increase the temptation to unwise borrowing while a scrutiny of the security offered, supervision to ensure that the loan is actually expended on the improvement for which it is granted and insistence on regular recoveries are all necessary in the interests of the borrowers themselves. We agree that unnecessary delay should be avoided and the applications should be disposed of promptly, say, within a period of three months, if relief is to reach the agriculturists in time.

As regards the period of repayment of loans, the existing rules allow sufficient latitude, but it would appear that in practice the officers granting loans do not generally fix the period with reference to the income derivable from the improvements and the repaying capacity of the borrower. In the case, for instance, of loans for the construction and repair of wells, the maximum period of repayment is 30 years. But we gather that only in rare cases is a period exceeding ten years actually allowed. We consider that in granting loans for permanent improvements involving heavy outlay, the sanctioning officers should be required to

fix the number of instalments in a liberal manner so that the income from the land may not have to be utilised solely towards the repayment of the loan, but may leave enough for the current demands of cultivation and the raiyats' personal requirements.

Wide publicity should be given to the takavi and Land Improvement Loan Rules so that the agriculturists in the remote villages may avail themselves of the facilities offered by Government. The provision for advances should also be suitably increased to the extent necessary for meeting the demand consistently with the other commitments of Government.

Adequate allotments for sinking irrigation wells should be made and when loans are sanctioned for this purpose, the progress of the works should be scrutinised from time to time by responsible officers and the disbursements of the loan amounts made only against such progress.

In all these respects, what is required is not a change but an improvement in the present practice.

Co-operative Societies.

41. The Co-operative institutions should play a more important part in the financing of agriculture. The Report of the Co-operative Department for 1933 shows that these institutions as yet serve only a small portion of the agricultural population. The total number of agricultural societies at the end of the year 1933-34 was 1,629, with a membership of about 72,000. Of these, 1,534 were credit societies including Land Mortgage societies, and their working capital was about Rs. 53 lakhs. As pointed out by the Agricultural Commission and various other authorities, the greatest hope for the salvation of the rural masses from their crushing burden of debt lies in the growth and spread of a healthy and well organized co-operative movement based upon the careful education and systematic training of the villagers themselves. Apart from the question of debt, co-operative credit provides the only satisfactory means of financing agriculture on sound lines. Strenuous efforts have, therefore, to be made to increase the number of co-operative societies and improve their working. These should, in addition to providing the credit necessary, educate the raiyat and promote in him the qualities of thrift and prudence. The need for a careful scrutiny of the economic purpose of the loan and of the repaying capacity of the borrower cannot be over-estimated.

The Money-Lender.

42. The most important source of agricultural finance is the moneylender and in the present state, he is indispensable as he alone will be in a position to provide the bulk of the large capital required for current agricultural needs.

Loans are generally advanced either on personal security or on the security of immoveable or moveable properties or on the security of the standing crops. Rates of interest on the loans vary according to the type of the moneylender, the nature of the loan, the nature of the security offered, and the status of the borrower. They vary from place to place and range mostly from 6 to 24 per cent, but in some cases they have been known to extend far beyond this limit up to 48 per cent. In the case of loans granted in kind repayable also in kind, the rates of interest may be as high as 100 per cent.

Of the different types of moneylenders, the village moneylender is said to be the least unfair in his dealings. Even when he stipulates for a high rate of interest, he is sometimes willing to forego a portion of it, in view of the changed circumstances of the borrower. But the generality of moneylenders, including Marwaris and Pathans, insist on the stipulated rates being paid. Onerous conditions are also often attached to the grant of loans providing for the levy of compound interest with rests at short intervals or for the payment of heavy penal rates on default. Having regard to the low profits from agriculture, the interest which the agriculturist can afford to pay out of his income would press very heavily on him, unless the rates are kept sufficiently low to admit of repayment either of principal or interest from the annual income with ease.

Usurious Loans Regulation.

43. The only enactments in Mysore intended to check usury are the Mysore Agriculturists' Relief Regulation and the Usurious Loans Regulation. Both of them provide for the courts scrutinising the transactions and disallowing interest which appears to them to be usurious. The following are the considerations that are generally taken into account in testing whether any transaction is or is not unfair :—

(i) Risk taken by the creditor, including the presence or absence of security and the financial condition of the borrower.

(ii) Various charges by the creditor in money or kind for expenses, enquiries, fines, etc.

(iii) Compound interest, if any, charged.

(iv) Other circumstances attending the loan.

It would appear that little use is being made of the Usurious Loans Regulation. Instances have been brought to our notice of the courts having awarded very heavy rates of

interest, notwithstanding the provisions of this Regulation, either because the attention of the courts was not invited to these provisions or the parties did not seek relief specifically under the Regulation. The main defects in the Usurious Loans Regulation are: —

(i) That the debtor has to show that the rate of interest is excessive, and also to prove that the transaction was unfair before the court can take action;

(ii) That even if the above position is proved, it is at the discretion of the court under Section 3 to exercise all or any of the powers mentioned therein; and

(iii) That there is no definition of what constitutes excessive interest.

Maximum Rates of Interest Recommended.

44. In some of the British Indian Provinces, legislative action has been taken to amend the Usurious Loans Act with a view to removing the above defects and prescribing the maximum rates of interest which the courts could allow. We have carefully examined this question and consider that it is desirable to amend our Regulation on similar lines. We recommend, therefore, that legislative provision may be made that in the case of agriculturists, simple interest above 10 per cent for secured debts and 15 per cent for unsecured debts should be deemed to be excessive, that compound interest at intervals of less than six months should be considered usurious, and that where compound interest is stipulated for, the reasonableness or otherwise of the rate should be tested with reference to the above limits of simple interest.

45. The question whether retrospective effect should be given to the rates of interest proposed to be prescribed has also been considered by us. Among those who favoured us with their opinions, some have suggested that in view of the depression during the past few years and the abnormal fall in the price of agricultural produce and the lowering of the income of the agriculturist, the proposed legislation respecting rates of interest should be given retrospective effect in respect of transactions entered into since the year 1929-30. The majority of us are, however, of opinion that it is not expedient to upset contractual relationships and that, therefore, the new rates should apply only to interest accruing in future. Relief in other cases could be obtained to the extent possible under the Agriculturists' Relief Regulation and by a more effective use of the Usurious Loans Regulation.

Damdupat.

46. In this connection, our attention has been drawn to the fact that Mahomedan debtors cannot claim the benefit of the rule of Damdupat under which the amount decreed as principal and interest is limited to a sum equal to twice the amount of the loan. We consider that the benefit of this rule should be extended to Mahomedan debtors also.

47. It may be contended that any legislation to limit the rates of interest would affect the credit of the agriculturists and instead of improving their position render it worse. But so long as the rates prescribed are reasonable and yield a sufficient income for the investment and are substantially higher than the rates of public borrowing, we do not apprehend that there will be any disinclination on the part of the creditors to lend merely by reason of such legislation. As observed by the Agricultural Commission, moneylender's profits may diminish, his power may decline, but for many years to come, there will still remain a wide field for honest business in supplying the legitimate needs of agricultural operations. We are also alive to the fact that it is not unlikely that such legislation may be circumvented and the needy borrowers coerced to execute bonds for larger amounts than may be actually advanced. The risk of evasion is present in any ameliorative legislation of this kind, but does not by itself constitute a reason for not undertaking it. If even a proportion of debtors could be benefited thereby, it would be worth while.

Money-Lenders' Bill.

48. The problem of controlling by legislation the transactions of money lending generally so as to protect borrowers against fraud has been gaining insistence everywhere in recent years. We understand that the question of undertaking legislation for this purpose in the State has been engaging the attention of Government.

Agriculturists' Relief Regulation.

49. The Agriculturists' Relief Regulation and its extension to the Maidan parts have been stated to have affected the credit of the agriculturist considerably. This question is engaging the attention of another Committee which has been constituted by Government, and we do not, therefore, propose to deal with it beyond stating that, with suitable safeguards incorporated in it, the Regulation is bound to prove to be of benefit to the agriculturist.

VIII. LAND REVENUE AND OTHER CONCESSIONS.

Existing Concessions to Continue.

50. The several measures of relief that have so far been sanctioned by Government in view of the agricultural depression are detailed in the appendix and may be broadly classed under the following heads:—

(i) Remissions of revenue.

(ii) Moderation of miscellaneous demands.

(iii) Relaxation of coercive processes.

These concessions have afforded fairly tangible relief to the agriculturists and have lightened the burden in the matter of their paying the Government dues. Under the existing orders, the concessions are in force until the end of December 1934. We consider that these concessions should be continued so long as the present depression lasts.

Collection of Land Revenue and other Demands.

51. We have obtained and appended to this report, a statement showing the land revenue and other demands recoverable by the Revenue Department in each taluk. The demands common to all the taluks are land revenue, cesses, (local, education, irrigation and railway cesses in some taluks) and village panchayet taxes. The other demands, such as the instalments on account of land improvement and takavi loans, tank restoration charges, tank maintenance charges and Record of Rights fees, vary largely in volume and incidence from taluk to taluk. In some taluks, the demand under these miscellaneous items and cesses bears a very large proportion to the total amount under all heads recoverable in the taluk. This is particularly the case in taluks like T.-Narsipur, Nagamangala, Mandya, Nanjangud, Channarayapatna, Holenarsipur and Hosdurga where it is almost equal to 50 per cent of the entire demand or is in excess of it. Deputy Commissioners are vested with discretion in the matter of postponement of the collection of these charges. We consider that much greater latitude should be allowed and exercised in the recovery of these dues and accordingly recommended that the collection of the amounts falling due this year in respect of land improvement and takavi loans and tank restoration and tank maintenance charges may be temporarily suspended at the discretion of the local officers, in cases where they find that the demand is likely to be unduly burdensome, no interest being charged for one year on the suspended instalments. With a view to the speedy disposal of applications for relief, it is desirable that the Amildars should be empowered to order the suspension of repayment of land improvement and takavi loans, the suspension of the contribution amounts for restoration of tanks and tank maintenance charges being, however, vested in the Deputy Commissioners.

The Government have in their Order No. R. 2532-42—L. R. 221-33-36, dated 27th November 1934, sanctioned the proposal as regards the instalments of land improvement and takavi loans with the modification that recovery of interest need not be waived, as it is likely to tempt people who can afford to pay to withhold payment. As the concession will be granted only in deserving cases, the recovery of interest would operate as a hardship and the Committee would therefore request the Government to reconsider their order and waive interest on the suspended instalments.

Collection of Overdue Instalments of Land Revenue.

52. The land revenue is at present collected in four instalments commencing from February each year and on default of payment of any one instalment, the revenue authorities demand payment of the entire amount including the instalments which have not fallen due and normally refuse to receive part payment of the dues and stay further coercive proceedings. The Committee consider that it will bring some relief to the raiyats if they are given the option of paying only the overdue instalments and if on payment of these instalments further coercive steps are suspended.

Collection in Cotton Areas.

53. In areas where cotton is the chief commercial crop, it has been represented that as this crop is generally harvested in the month of March and the grower of the crop can pay his land revenue only after March or April the khistbandi should be adjusted accordingly. We do not consider it desirable to have different khists in different areas and that the object with which the proposal is made could be served by the issue of suitable instructions to the officers that the adoption of coercive steps for recovery of assessment may be deferred till March in those taluks where the bulk of land revenue is paid from the proceeds of the cotton crop.

Mutation Fees.

54. The scale of Record of Rights fees has been recently reduced to Re. 1-8-0 per hisse and the recovery of the demand in easy instalments has also been permitted. The rate of mutation fees has also been further reduced in cases involving no measurement and the question of waiving such fees altogether in cases of mutations due to inheritance is under consideration of Government. We consider that even the existing rates of mutation fees, *viz.*, 8 annas for a survey number subject to a maximum of Rs. 5 for all the numbers in the village included in a transaction, is heavy, as in such cases no measurement is involved and no tangible work devolves on the Revenue Department. We therefore, recommend that these rates may be reduced to 4 annas per survey number subject to a maximum of Rs. 2

Record of Rights Fees.

55. Some of the members considered that no fees should be levied during the preliminary operations connected with the Record of Rights as this would add to the burden of payments to be made by the agriculturists, particularly at the present juncture. But a majority of us consider that in view of the extra cost involved in carrying on the operations, it would not be possible to abolish these fees altogether. We would, however, suggest that the scale of fees may be further reduced to Re. 1-4-0 and that the Record of Rights need not be extended during the period of depression to taluks where the recovery of the fees might entail a serious addition to the existing revenue burdens.

56. It was suggested by one of the members that the irrigation cess in all the taluks in which it has been made a separate levy should be remitted, if it cannot be abolished altogether. But in view of the orders of Government declaring their definite policy in the matter, the Committee, as a whole, are unable to accept the proposal. **Irrigation Cess.**

57. A suggestion has been made that the Railway Cess in the districts in which it is being levied should be abolished. We have read the recent order of Government, explaining the reasons why the cess cannot be abolished. We, however, consider that as a measure of relief during the period of distress, the levy might be waived in the districts in which its collection is not required either for payment of interest charges or for maintenance of the open lines. **Railway Cess.**

58 A strong representation was made to us that the levy of Village Panchayet taxes in some of the villages was pressing heavily on the agriculturists and that, therefore, the Panchayets should be given the option to continue or suspend the collection of these taxes, unless such a course is precluded by reason of pre-existing commitments. The Panchayet scheme was brought into force over eight years ago and with the greatest difficulty most of the Panchayets have been brought into working order and the results of the scheme are now beginning to be realised. We feel that any action in the proposed direction now will result in weakening the resources of the Panchayets and lead to a set back in rural reconstruction work. **Village Panchayet Taxes.**

But our objections relate only to the current demands which, in the great majority of cases, are quite moderate and which the poorer rate payer may discharge by contributing labour in lieu of paying cash. As regards arrears, however, we understand that they are very heavy and represent the cumulative neglect of the Village Panchayets and their predecessors for many years in the past. The prospect of recovering them is somewhat remote and their nominal retention on the Panchayet accounts is fraught with the possibility of confusion and fraud. The half-hearted attempts made to realise them are a source of harassment. We consider that all arrears which accrued prior to the year 1930-31, may be written off. In respect of arrears relating to subsequent years, the Panchayets may be allowed, having due regard to their commitments, to write off not more than 50 per cent with the sanction of the Deputy Commissioner, if the balance together with the whole of the current demand is paid within a stipulated time.

Any measure of this kind is attended with the risk of creating an impression that defaulters get concessions which are denied to the regular tax payer. But it is better to face this risk than to leave the rural rate payer in anxiety and the Panchayet affairs in confusion.

59. We have examined the rules relating to the grant of remissions of wet assessment under tanks and consider that under the present conditions, the rules need to be liberalised on the lines indicated below. **Wet Assessment Remission Rules.**

Under the existing rules, the remission of half the assessment is granted provided more than half the area of wet lands under the tank has remained uncultivated or, if cultivated, has yielded a crop of not more than four annas and provided further the tract has already been so impoverished or the previous years' harvests have been so poor as to render such a measure of relief necessary The second condition was relaxed last year, in view of the depression and the Deputy Commissioners were instructed not to withhold the submission of recommendations for remission in cases which satisfied the other conditions of eligibility, merely on the ground that the previous harvests in the tract had been normal. As the economic depression still continues, we consider that this restrictive condition should be suspended during the current year also. As regards the other condition, *viz.*, that more than half the area should have remained uncultivated, it may be observed that even in normal years the entire atchkat under certain tanks may not be cultivated and that this difficulty is increased during the current year, owing to insufficient rainfall in many parts of the State. We propose, therefore, that this condition might also be relaxed during the current year.

As regards the quantum of remission, one-half of the wet assessment is ordinarily remitted; but in cases where dry crops are raised with a yield of more than eight annas, the amount remitted is one half of the difference between the wet and dry rates. It is considered that a more liberal treatment is due in respect of lands which are not cultivated at all or if cultivated, have yielded a crop of less than four annas, as in such cases, the return to the raiyat, if there be any, would not even cover the cost of seed and other expenses of cultivation which he has unavailingly incurred. The majority of the Committee, therefore recommend that in these cases the highest dry rate or half the wet assessment, whichever is less, may be imposed and the balance remitted.

Some of us, however, feel that the grant of remission of half the wet assessment is itself a concession and that the circumstances of the present situation do not warrant a wholly different method being adopted for determining the amount of remission to be given in such cases.

Remission under Breached Tanks.

60. In connection with the question of remissions, we had an opportunity of examining the rules regarding the grant of remission of assessment on lands under breached tanks contained in paragraph 234 of the Mysore Revenue Manual, Vol. I. Rule (1) of the aforesaid rules provides that when by breach or any other accident, a tank or other work of irrigation is not available for irrigation, in lieu of the wet assessment on lands situated under such tanks or other work, there shall be substituted during the first year of the breach or accident and succeeding years during which the tank or other work may remain unrestored and unavailable for irrigation, a temporary reduced assessment of half the full assessment which should be levied as *Bengar Kandayam*, the remaining half being shown in the accounts as a remission without reference to any dry crop which may be raised. The Committee feel that, in such cases also, there is no justification for recovering anything more than the dry assessment and recommend that if the occupant raises only dry crops and the prospect of the tank being repaired is remote, dry assessment in lieu of half the wet assessment may be levied.

Special Concessions for Total Failure.

61. In view of the possible failure of crops this year in certain parts of the State following a series of years of depression, the Committee would suggest that in tracts where the crops have completely failed and the conditions border on distress, the Government may consider the question of granting some concession by way of remission of a part of the assessment on dry lands.

Tank Maintenance Charges.

62. It has been brought to our notice that the amount recovered from raiyats for work rendered necessary on account of tank maintenance is sometimes excessive. Prior to 1927, the maximum amount that could be levied on this account was limited to one year's assessment on the lands included in the atchkat of the tank. As this limitation was considered harmful and set a premium on neglect, it was modified in 1927 so as to allow some latitude to officers to recover ordinarily the entire expenditure incurred for the purpose. We consider that if cumulative neglect has been allowed to occur, it is as much due to the neglect of the officers in not taking action in time as to the raiyats themselves. There might be some justification for recovering the entire expenditure in cases where the raiyats have wilfully and defiantly neglected this work. But barring such special cases, we recommend that until general conditions improve, the maximum limit of the raiyats' liability may be restricted as before, to one year's assessment on the atchkat lands.

IX. LAND REVENUE ASSESSMENT.

63. Representations have been made to Government in the Representative Assembly and elsewhere that the burden of land revenue has increased owing to the fall in prices, and that the payment of land revenue constitutes one of the causes of agricultural indebtedness. It has been accordingly suggested that during the period of depression the assessment should be reduced to the level of the rates in force before the Revision Settlement took place, or that in the alternative, a temporary remission should be given ranging, according to different proposals, from 6¼ to 50 per cent of the land revenue.

64. The Committee could not avoid divergence of opinion on this point. Three of our colleagues are for a general percentage cut of 12½ per cent in the land revenue, while two others would have the cut as high as 25 per cent. The rest of us are unable to recommend any general percentage cut in the land revenue. As this is a very important subject, we propose to dwell at some length on the reasons for our divergent views. The grounds urged in support of the proposed cut in land revenue are set forth in the dissenting notes appended to this report. The considerations which led the majority of us to take a different view will now be referred to.

65. We may observe at the outset that the plea for any kind of general remission has lost much of its force, owing to the marked increase which has recently occurred in the prices of the more important agricultural products of the State such as ragi, paddy, jola and horsegram. Whatever may be the course of prices in the future, there appears to be no likelihood at the moment of their coming down to any appreciable extent as the result of the next harvest.

It is true that during the current year the rainfall has been untimely and inadequate. But the difficulties arising on this account will be essentially of a local character and will involve no question of a general remission. The nature of the concessions that may be appropriately given in case of failure of crops in particular tracts are laid down in considerable detail in the standing orders, and we have elsewhere indicated certain directions in which these concessions might be liberalised.

From the information regarding the net profits from agriculture that we have been able to gather, we find that even with low prices, the land revenue assessment is well within the conventional one-sixth gross produce or half the net produce. The land revenue is relatively not a very large item in the agriculturists' budget, and if any difficulty is being felt in

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regard to its payment, this has to be traced to other causes and not to the pressure of the land tax itself. While it is true that for meeting the annual revenue demand, the agriculturist had to dispose of a larger quantity of produce than he had become accustomed to during the long period of high prices, it cannot be said that the pitch of assessment itself is too high.

66. The suggestion made in the Representative Assembly that the rates should be reduced, as a temporary measure, to the level of the original settlement rates does not appear to us to be feasible or even reasonable. It may be noted that in respect of 22 taluks or portions of taluks, Resettlement had been sanctioned or proposals for Resettlement had been submitted to Government before the outbreak of the Great War. Nine taluks were settled during the years 1914 to 1920, while the remaining 41 taluks were resettled between 1921-22 and 1929-30. So far as the taluks resettled before outbreak of the War are concerned, there seems to be no necessity to examine the effects of Resettlement, as it took place at a time when the prices were more or less the same as or lower than those at present. As regards the other taluks also, a perusal of the Resettlement reports shows clearly that the Settlement Officers have carefully avoided taking into consideration the abnormal prices that prevailed after the War.

In the Chikmagalur Taluk, while the increase in the prices ranged from 215 to 420 per cent, the dry rates were advanced by 29 to 33 per cent, and wet rates by 12 to 22 per cent, and the garden rate was reduced to 25 per cent. In the villages comprised in the late Honnavalli Taluk, the rise of prices ranged from 100 to 300, while the enhancement of the assessment was only 29 per cent in the dry rate and 6 and 7 per cent in the wet rate. In the Mulbagal Taluk, while the increase of price ranged from 100 to 300, the dry assessments were raised by 9 and 10 per cent and the wet and garden assessments were left as they were. In the taluks of Bangalore, Kankanhalli, Chamarajnagar and all the taluks of the Kolar District, only the dry rates were increased and the wet and garden rates were left undisturbed while in a few cases even the wet and garden rates were reduced from the original settlement level.

In this connection, we may note that a consideration of maximum rates alone is apt to be misleading. The maximum rates really relate to ideal classes of land not always actually met with. They are levied only when the water supply and the soil are both of the first order where either or both of these elements are inferior, the rate is proportionately low. As a rule, very few lands are assessed at the maximum and often there is no such land at all. For example, although in the Seringapatam Taluk, the maximum wet assessment is fixed at Rs. 15, the highest actual is only Rs. 13-2-0 and there is only one acre in all the tract which bears even this rate. Likewise, although the maximum dry rate in the Kankanhalli Taluk has been fixed at Rs. 2-6-0 for the first group, the highest dry rate actually levied is only Rs. 2 and the lowest rate in this class is seven annas.

The fact of the matter is that the policy and methods of resettlement in the State preclude any undue reliance being placed on the price factor alone. Enhanced agricultural resources of the raiyat, increase of acreage under cultivation, the past Revenue history of the tract are all taken into consideration equally with the rise in prices of the agricultural commodities in arriving at the revised rates to be introduced in an area. Any proposal therefore to revert to the original settlement rates would be to ignore the vast changes in local and general conditions which have taken place for half a century and which have led to the rates being reduced in some cases and increased in others during resettlement, the reduction having taken place in spite of the general rise in prices and the increase, without reference to the steepness of such rise during the post-war period.

67. The alternative proposal for relief urged by some of our colleagues is to reduce the assessments all round by a definite percentage. At the outset, this proposal fails to discriminate between cases which deserve relief and those which do not. We have examined the proposal with reference to the effect that it is likely to have on the finances of the State and the objective benefit that is likely to accrue to the agriculturist. Even a remission of 12½ per cent or 2 annas in the rupee would entail a loss of Rs. 15 lakhs to Government and should the quantum of remission be doubled, the loss to the State, would be Rs. 30 lakhs. As against this substantial loss of revenue to the State, there is no certainty that this measure would bring any tangible benefit to the agriculturists. As pointed out in an earlier part of the report, out of nearly a million khatedars, nearly 87 per cent pay kandayam of Rs. 25 or less and of these, 432,081 pay an assessment of Rs. 5 or less, and 442,493 an assessment of over Rs. 5 but less than Rs. 25. At the rate of 2 annas per rupee, these holders get relief to the extent of from a few annas to about Rs. 3, and in the bulk of these cases, the benefit is not likely to be more than half a rupee. The extent of relief to the majority of landholders will thus be very little. Further, it is common experience that the smaller raiyats have been paying their assessment without any difficulty.

We should, however, make it clear that our inability to support the proposal under consideration does not imply any lack of appreciation of the present difficulties of the

agriculturist. We consider that it is the burden of the several miscellaneous demands on the agriculturist introduced in an era of high prices that has led some of them to feel that even the land revenue is burdensome. It is in this view that we have recommended the lightening of the new burdens such as, arrears of Village Panchayet taxes, Record of Rights fees, tank maintenance charges. We have also recommended suspension of loan instalments. It is some of these items which operate as a hardship at the present moment. The majority of us feel convinced that it is not two annas in the rupee that is going to make any tangible difference to the burden of the raiyats.

X. GENERAL SUGGESTIONS AND SUMMARY.

68. We are mainly concerned with problems arising from the present economic depression. But at every point, we have been brought face to face with the fundamental defects of our agricultural economy which the depression has only served to emphasize. We may therefore cursorily refer to certain permanent measures of rural improvement which have been recommended from time to time by various authorities and to which our special attention was drawn in the course of our enquiry.

Improvement of Agriculture.

69. The Director of Agriculture has favoured us with a note which is appended to this report indicating the lines on which the efficiency of agriculture may be improved and the raiyat enabled to realise the maximum amount for his labour. Improvement in irrigation facilities, the growing of better yielding varieties, the use of more efficient implements and of better manure, conservancy and utilisation of farm yard manure on a larger scale instead of allowing it to be wasted as fuel are among the most important measures requiring attention. It is said that a great deal of improvement is also possible and is urgently called for in the business of farming itself, so as to reduce the cost of cultivation.

Silk Industry.

70. So far as the Silk Industry and the expansion of cultivation of mulberry in the State is concerned, we understand that the question has been considered in all its details by the Mysore Silk Association and that comprehensive proposals for the improvement of the industry have been submitted by that body to Government.

Irrigation Facilities.

71. Another important direction in which the efficiency of agriculture could be improved is the provision of irrigation facilities, which would place agriculture on a stable basis and make it less dependent on the vagaries of nature. The Government have been spending, particularly in recent years, considerable sums of money for the improvement of irrigation resources. Out of 2,655 major, and 20,779 minor tanks, 2,368 major tanks and 5,579 minor tanks have been restored and even excluding 8,133 tanks which have been abandoned, there is still a large number which has to be restored. Some of the tanks, it is stated, require only a sluice or a waste-weir to make them function at a comparatively small outlay. We consider that a systematic programme of restoration work should be drawn up and as many of the tanks as possible should be restored at a very early date.

Acreage Contributions.

72. In this connection we have examined the system of acreage contributions recoverable from the raiyats benefited by the restoration or improvement of works of irrigation. This system is peculiar to Mysore and although levies comparable in character, if not in amount, are to be found here and there, it is understood that it does not, as a rule, prevail in British India. Yet, it is not without theoretical justification, as it is but fair that the State should take from the owner of land a share of the unearned increment accruing as a result of new irrigation facilities provided by the State. The contribution is a capital levy but, with a view to easing the burden on the raiyat, it is being recovered in instalments, the maximum period allowed for completing payment being 10 years. In practice, we understand that the periods fixed are generally shorter.

As the rate of contribution now-a-days is rather high, it seems to us that the payment of one-tenth of this amount every year together with the water rate may, in some cases, be felt by the raiyats as a heavy recurring burden. We would, therefore, suggest that in cases where the contribution or a substantial part of it is not recovered in a lumpsum before an irrigation work is commenced (which is, of course, the best arrangement), its collection may be spread over a sufficiently long period, as in the case of land improvement loans, so that the raiyats can easily pay the same out of their income from the benefited lands.

Irrigation Wells.

73. We consider it necessary to advert to the important part played by well irrigation in the economy of agriculture. Wells are sometimes found beneficial even in wet lands commanded by an uncertain source of supply. Their value in respect of dry lands is, of course, even greater. We recommend that steps should be taken to popularise the scheme of irrigation wells and to induce the agriculturists to sink such wells wherever they are likely to be successful. For this purpose, liberal grants should be provided in the Budget to admit

of suitable advances being made, recoveries being spread over sufficiently long periods. It is necessary to have a special agency to advise the raiyats about well sites and to supervise, and if necessary carry out, well works on the raiyats' behalf. It is understood that very appreciable progress was made some years ago when a special agency was in existence for this purpose.

Fragmentation of Holdings.

74. There has been considerable discussion about the effect of fragmentation of holdings on the economy of agriculture, and it is generally held that this would be a measure of great and immediate benefit. Experience of the scheme of consolidation elsewhere has shown that it has checked litigation to a considerable extent and made intensive cultivation possible. In the Punjab, the scheme of consolidation is being worked on the basis of co-operation while in the Central Provinces, an Act has been passed under which not less than half the permanent raiyats holding not less than two-thirds of the occupied area can combine in a scheme of consolidation and coerce the minority to accept the consolidation. The legislation in Baroda aims at not only consolidation but also prevention of further fragmentation. In the villages in which the scheme has been attempted in the Punjab, it is understood, that where there were only about 24 irrigation wells, it has now been possible to have as many as 2,000 wells. This subject has been engaging the attention of another Committee and we refrain from making any detailed recommendations. We, however, consider a suitable scheme is well worth a trial in Mysore also.

Marketing Facilities.

Defects.

75. The existing system of marketing the important Malnad products and the suggestions for improvement of the same have been dealt with by the Malnad Depression Enquiry Committee of 1931. We do not, therefore, propose to refer at any length to the question of marketing these products.

76. Several factors contribute to the growers not realising a satisfactory price for their commodities. The agriculturists often obtain money and grains from moneylenders or traders on onerous conditions. A common stipulation is that the entire produce shall be sold to the trader or moneylender for a fixed price, or that a certain quantity of produce, generally far in excess of the quantity borrowed, would be delivered at the harvest in repayment of the loan. In such cases, the producers do not get the best price for their labour. The need of the agriculturists for money at the time of the harvest for repayment of their debts or for meeting the interest charges or other obligations necessitate their selling the produce at an unfavourable price.

Further, in the process of marketing, a long chain of middlemen, commission agents or dallals intercept the profits at every stage, with the result that the difference between the price realised by the growers and those at which the products ultimately reach the consumer is shared by the intermediaries. The methods of these middlemen are often unfair and involve various exactions for pretended service. Among the other handicaps of the cultivators may be mentioned the want of uniform weights and measures, the absence of properly regulated markets and the lack of knowledge as regards the areas where the commodities could be marketed to the best advantage.

Suggestions.

77. The main object underlying all suggestions for the improvement of marketing is to ensure for the producer the utmost price for his labour, by minimising the number of intermediaries between him and the consumer, and to enable him to avoid selling his produce in a glutted market during what is known as the 'harvest slump.'

Co-operative Sale Societies.

78. In our opinion, the Co-operative Sale Societies would be the best organisation both for advancing money to the cultivators on the security of produce, and for arranging for the sale of the produce collectively, as the bulk created is likely to attract a dealer of more than local importance who would offer the best price. The sale through Co-operative Societies should be specially advantageous in the case of commercial crops meant for export.

The reports of the Co-operative Department show that the sale societies have not been much of a success so far. But we do not think that this should deter us from persevering in this direction.

Marketing Survey and Marketing Officer.

79. A survey of the existing marketing conditions should be made, particularly in regard to commercial crops like areca, cotton and cocoanut and the problem of finding a suitable and profitable market in and outside the State should be investigated and the growers of the crops should be offered the necessary guidance in the matter. We would suggest for this purpose the appointment of a marketing officer with experience of agricultural and trade conditions.

The question of establishing regulated markets in important places of trade should also receive early consideration.

Weights and Measures.

80. The Weights and Measures Regulation is in force in 16 centres. We consider that it is necessary that the operation of this Regulation should be extended to all important trade centres and all taluk headquarters so as to ensure that the use of false weights and measures and consequent loss to sellers are avoided.

Utilisation of the Spare Time of the Agriculturist for Increasing His Income from Subsidiary Occupations.

81. As observed by the Royal Commission on Agriculture, a prominent feature of Indian agriculture is the amount of spare time which it leaves to the cultivator and which can usefully be mobilised for some subsidiary occupation which will supplement the agriculturists' resources and help him to improve his economic position. The peasant proprietor cannot keep out of debt unless he is exceptionally industrious and frugal, or has a second string to his bow. In connection with the Economic Conference, attempts have been made in the past to popularise the scheme of the rural and cottage industries to increase the earning power of the rural folk. We consider that the time is now come to do some intensive work in this direction throughout the State. Various industries have been suggested as being suited to particular areas. This is understood to be engaging the attention of the Industries Department and the recently constituted Board of Industries and Commerce. The success that has attended the hand-spinning and hand-loom industry in several parts of the State warrants, in our opinion, a wider effort for popularising subsidiary rural industries in the State.

Summary of Recommendations.

82. The recommendations made in the foregoing paragraphs are summarised below :—

1. The recommendations of the Malnad Depression Enquiry Committee of 1931, may be published and treated as supplementing our own proposals. (*Para* 4)

2. (i) Takavi Loans should be liberally granted during the current year.

(ii) The rate of interest on these loans should be reduced to 4 per cent for a period of two years.

(iii) Applications for these loans should be disposed of promptly.

(iv) The budget provision for the purpose during the current year should be raised by one lakh of rupees. (Orders have been passed on these proposals in G. O. No. R. 33-43—L. R. 221-33, dated 16th—17th October 1934) (*Para* 6)

3. Relief in the matter of enforcement of decrees of Co-operative Societies against agriculturist debtors may be granted on the following lines :—

(i) In the case of decrees relating to very old loans, execution may be suspended if all interest up to date and a small portion of the principal is paid.

(ii) In the case of decrees in respect of fresh loans granted recently and in regard to suits filed during the current year, time till the next harvest may be granted. (These proposals have been approved by Government in their Order No. D. 2689-740—C. S. 18-34-2 dated 6th—10th October 1934) (*Para* 6)

4. (i) A scheme of debt conciliation on a voluntary basis so as to bring down the standing debt of the agriculturists within their repaying capacity is recommended. A majority would recommend provision being made for the introduction of the scheme on a compulsory basis in selected areas at the discretion of Government. (*Paras* 28 *and* 33)

(ii) The compounded debt should be recoverable as arrears of land revenue in the first instance, and failing this, through processes of Civil Courts.

(iii) Payment of settled debts may be undertaken by Co-operative Societies and Land Mortgage Banks. (*Para* 34)

(iv) The maximum limit up to which loans may be sanctioned by the Land Mortgage Banks may be raised from 50 per cent to 70 per cent of the market value of the security taken. (*Para* 34)

(v) Land Mortgage Societies should be rapidly extended so that every taluk may have one such society. (*Para* 35)

(vi) A simple, inexpensive and expeditious method of rural insolvency should be provided for in the case of debtors whose debts far exceed their assets. (*Para* 37)

5. (i) Wide publicity should be given to the rules for the grant of land improvement and takavi loans.

(ii) Applications for loans should be disposed of promptly.

(iii) The period of repayment should be sufficiently long to permit of payment in easy instalments.

(iv) Larger allotments should be made for the purpose. (*Para* 40)

6. Co-operative Institutions being the best form of organisation for financing agriculture, these institutions should be increased rapidly and their working improved. (*Para* 41)

7. Legislative provision should be made declaring that in regard to the agriculturists' debts, the following rates of interest should be considered excessive :—

(i) Simple interest in excess of 10 per cent for secure debts and 15 per cent for unsecured debts.

(ii) Compound interest at intervals of less than six months. Rates of compound interest should be tested with reference to the above limits of simple interest.

The above rates should apply to interest accruing in future. (*Paras* 44 *and* 45)

8. The benefit of the rule of Damdupat may be extended to Mahomedan debtors also. (*Para* 46)

9 (i) The concessions in the matter of payment of land revenue and other demands relaxation of coercive processes etc., which are in force till the end of December 1934, may be continued so long as the depression lasts. (*Para* 50)

10. In the matter of recovery of land improvement and takavi loans dues and tank restoration and tank maintenance charges, the instalments due may be temporarily suspended in cases where the demand is unduly burdensome, no interest being charged on the suspended instalments. For the expeditious disposal of applications in this behalf, Amildars may be empowered to order suspension of land improvement and takavi loan instalments. (Orders of Government have since been received *vide* G. O. No. R. 25-32-42—L. R. 221-33-36, dated 27th November 1934, sanctioning the above proposals with the modification that the recovery of interest need not be waived). Reconsideration of the Order as regards waiving of interest on suspended instalments is urged. (*Para* 51)

11. On Land Revenue falling into arrears, only the overdue instalments should be collected instead of the entire demand, and coercive proceedings should be stopped on payment of the same. (*Para* 52)

12. In cotton growing areas, the adoption of coercive steps for recovery of assessment should be postponed until March. (*Para* 53)

13. The scale of mutation fees in cases involving no measurement may be reduced to 4 annas per survey number, subject to a maximum of Rs. 2 in respect of all the numbers in a village included in a transaction. (*Para* 54)

14. The scale of Record of Rights fees may be reduced from Rs. 1-8-0 to Rs. 1-4-0 per hisse. (*Para* 55)

15. The Record of Rights operations need not be extended during the period of depression to taluks where the recovery of the fees would be a serious addition to the existing revenue burdens. (*Para* 56)

16. Levy of Railway Cess may be waived temporarily in the Districts in which its collection is not immediately required. (*Para* 57)

17. (i) Arrears of Village Panchayet Taxes relating to the period prior to 1930-31, may be written off.

(ii) As regards the arrears of subsequent years, a sum not exceeding 50 per cent may be remitted by the panchayets with the sanction of the Deputy Commissioner, if the balance as well as the current year's demand is paid within a stipulated time. (*Para* 58)

18. The rules regarding the grant of remission on wet lands under tanks may be liberalised as follows during the period of depression :—

(i) The restrictive conditions that more than half the area of the wet lands under the tank should have remained uncultivated, or if cultivated, should have yielded a crop of not more than four annas, and that the tract should be shown to have been impoverished on account of the poor harvests in preceding years may be relaxed.

(ii) In respect of lands which are not cultivated at all, or, if cultivated, have yielded a crop of less than four annas, the highest dry rate or half the wet assessment, whichever is less, should be imposed and the balance remitted.

(iii) Under breached tanks, only dry assessment should be imposed in lieu of half the wet assessment now recoverable under the rules. (*Paras 59 and 60*)

19. In areas in which crops have completely failed this year, the question of granting partial remission of assessment on dry lands may be considered, if the conditions border on distress. (*Para 61*)

20. As regards the liability for tank maintenance, the maximum amount that may be levied from raiyats for work rendered necessary by their cumulative neglect may, except in special cases, be limited during the period of depression to one year's assessment of the land included in the atchkat of the tank (*Para 62*)

21. A systematic programme of tank restoration works should be drawn up and as many of the tanks as possible should be restored. (*Para 71*)

22. Tank contributions should be recovered in easy instalments. (*Para 72*)

23. The scheme of irrigation wells should be popularised, liberal grants being provided for advances for this purpose.

A special agency to advise the raiyats about well sites and to supervise and to carry out well works is recommended. (*Para 73*)

24. A suitable scheme of consolidation of holdings is worth a trial. (*Para 74*)

25. Co-operative sale societies should be organised on a larger scale for advancing money to cultivators and for arranging for the sale of the produce collectively. (*Para 78*)

26. A survey of the existing marketing conditions should be made especially in regard to commercial crops. The appointment of a marketing officer with experience of agricultural and trade conditions is recommended.

Regulated markets should be established in important places of trade. (*Para 79*)

27. The Weights and Measures Regulation should be introduced into all important trade centres and taluk headquarters. (*Para 80*)

28. Rural and cottage industries should be developed on a large scale throughout the State for enabling the agriculturist to increase his income by utilising his spare time. (*Para 81*)

83. Our deliberations have occupied much longer time than was anticipated, and we regret that we could not present this report before the end of November as required by our instructions. We had to obtain the opinions of officers and non-official gentlemen whom we decided to consult on the subjects under inquiry and although this procedure has occasioned some delay, it has enabled us to base our conclusions on information gathered from varied sources. We wish to express our obligations to the several gentlemen who have placed at our disposal the results of their observation and experience. We also wish to place on record our appreciation of the valuable help we have received from our Secretary, Mr. S. K. Venkataramana Aiyar, who had a really arduous task as the common Secretary of two committees, assisted only by a minimum of clerical staff.

(Sd.) N. Madhava Rau.
„ K. V. Anantaraman.
„ A. K. Yegnanarayana Iyer.
„ T. G. Rama Iyer.
„ M. G. Mehkri.
„ T. V. A. Isvaran.
„ K. R. Srinivasiengar.
„ *B. K. Garudachar.
„ *J. M. Imam.
„ *K. Chengalaraya Reddy.
„ *B. S. Puttaswamy.
„ *Hosakoppa Krishna Rao.

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*Subject to a note of dissent.

Supplementary Notes and Minutes of Dissent.

(1)

The matter of reduction of land revenue has been to the fore from a pretty long time and various grounds have been urged justifying the necessity and equity of such a reduction. But it has assumed special importance ever since the catastrophic fall in the prices of agricultural produce set in, completely sapping the staying power of the raiyat and bringing him almost to the verge of ruin. It was hoped that the Committee, as a whole, would appreciate the justness and equity of the demand and make an unanimous recommendation in the matter. But it is a pity that that hope has not been fulfilled.

It is said that in no case in the State is the land revenue assessment in excess of the conventional one-sixth gross produce or half the net produce. It would be difficult to justify even that position if by half net produce is meant half net income, since certain statistics at the disposal of the Committee has clearly shown that in the case of many crops, the operations have resulted in a loss or only a meagre net income. Be that as it may, the fact is that our land revenue has not been determined on any definite basis but mostly on empirical considerations. The rate is arrived at "not upon the formal working out of results based on theory but rather upon the subjective impression of local knowledge and experience" and it is futile to rely upon one-sixth gross produce or half the net produce basis.

It is not necessary to discuss now the incidence of land revenue assessment prevailing in our State in the light of certain accepted canons of taxation but a reference must needs be made to one aspect of the same, since it is said that land revenue is not very large item in the raiyat's budget, his difficulties are due to other causes, and that the pitch of assessment is not high. When considering the equity or otherwise of the assessment, it seems but proper that the ability of the class of persons who pay it has to be determined after taking *all* aspects into consideration instead of an isolated factor only. High authority and actual experience supports the contention that our land revenue system is defective in respect of the most vital canon of taxation, *viz.*, canon of ability, and that the pitch of the assessment is high.

The economic position of the raiyat in Mysore has been a most miserable one along with his compeers in India from a very long time and his staying power has at no time been of a high order. His has always been an eternal struggle to make both ends meet and live a precarious existence. He has been managing to pay his land revenue only with the greatest difficulty, oftentimes by having recourse to borrowing. The land revenue, which was even originally high, was generally increased during the resettlements, and more than that various other demands like the local, irrigation, education and railway cesses have been tacked on to the main demand, with the result that the cumulative demand has been very burdensome to bear. Add to this the tank restoration contributions, Record of Rights fees and last but not least the Panchayet taxes all of which have practically broken the back of the poor patient peasant.

The interregnum after the Great War when the prices of produce rose considerably seemed to bring an era of comparative prosperity to him. He increased his standard of living. He borrowed both for provident and improvident purposes, oftentimes at high rates of interest with the fond hope that he would be in a position to pay off the debt. The cost of cultivation also rose and he could cope with all these additional demands as long as the prices of produce kept up at the increased level. This was the position when the sudden and fierce economic depression set in. The value of produce declined disastrously and the extent of the same and its effect on the agriculturist have been stated in the report. In any case, agriculture ceased to be remunerative, and the operations were carried on on traditional grounds and in the hope of better days to come. But the land revenue demand with its new accretions has remained the same. The luxuries of yesterday have become the necessities of to-day and the cost of cultivation has not shown any tangible decline. The demand under debt and its incident obligations has been considerably intensified. Thus whereas the demands on his purse have remained the same, if not actually increased, there has been a serious shrinkage in his revenue. To meet the dire situation, he exhausted his financial reserves, sold his gold, a good portion of his cattle and it would be no exaggeration to say that the majority of peasants in the rural parts to-day are nothing more than undeclared insolvents. And on the top of it all has come a year of scanty and erratic rainfall and the agricultural prospects are very gloomy. During the last few years, he had at any rate no fear of starvation, but even that horrid contingency stares in his face at the present moment. It is, under these circumstances, that a demand is made for relief by way of reduction in land revenue assessment and none can successfully contend that it is not a just demand.

It has, no doubt, been suggested that we have to go back to the level of the original settlement rates, but none in the Committee has sponsored the suggestion for various

reasons. And so it seems to be unnecessary to go into details. But that only means that particular mode of granting relief is not favoured and nothing more.

The only other alternative is to reduce the land revenue by a definite percentage. From the view point of the agriculturist, the situation demands a drastic reduction but unfortunately this must needs be moderated in view of the present financial position of the State. The maximum reduction that is therefore sought to be suggested is 25 per cent. It is, no doubt, not possible to justify on *a priori* considerations the same uniform reduction in all tracts, and it would be worth while, if it were easily possible to adopt different scales in different tracts, consideration being paid to the incidence of assessment and nature of crops grown in each tract. But if there are any difficulties in the practical working out of such a proposal as it was strongly represented to be, then the next best method is to adopt a uniform reduction throughout the State. The ancient argument that the majority of landholders are only small landholders and that the benefit that would accrue to them by the suggested percentage reduction would be very small and problematic as against a substantial loss of revenue to the State is again urged with full force. But this argument is not convincing. If it were so, then a percentage reduction at least in the case of large holders of land who as a class have been admittedly the hardest hit by the depression would have been recommended. But even that has not been done. It is also urged that the prices of produce have gone up since to a considerable extent. But it is admitted in the report itself, that the continuance of the price at the increased level is problematical and cannot be counted upon. Apart from that, the main fact to be borne in mind is that the rise in price—to the extent there has been—is the direct outcome of a failure of crop which leaves nothing to be sold. Nay, if it is necessary for the raiyat to purchase produce for his requirements owing to the considerable diminution of his crop, he has to buy at a higher price. Thus, the benefit of the rise in prices will not result to his advantage under the present circumstances. The bare fact is that the paramount needs of the raiyats are sought to be sacrificed at the altar of the State Finances. The need of the hour is a liberal attitude towards the raiyat in the matter of assessment and it will go not a little in instilling a ray of hope and courage in the all but dead heart of the raiyat, and after all, is anything novel being advocated which other Governments have not done? The Cochin, Travancore, Punjab, Madras and certain other provinces have taken action more or less in this direction. And why should not such examples be copied by our State as well? It would redound to the credit of the State and result in the contentment of the people.

K. CHENGALARAYA REDDY.

rd and making the scheme compulsory,
ettled amount is assured by Government
etc.

(2) About the Agricultural Relief Act, I am of opinion something should be said, at least ways and means to be shown for the speedy recovery of the amount lent by the creditor.

(3) About the temporary reduction of assessment, Government members are all one in not recommending any reduction and the report is drawn up elaborately to support their conviction. In the report, it is said the small land owners who are in majority in the State will not be benefited in any way, but the Government will lose very heavy amount. In the same report, it is said that the middle class land owner has most suffered. The middle class land owner is also the subject of His Highness' Government and he deserves every consideration in the hands of Government. So, the reduction of assessment is beneficial to this class of land owners; indirectly, it will benefit small land owners also. I would not at all have pressed the matter so much, but for the failure of the crop. The raiyat population will feel the pinch more in the supply of fodder to cattle than food grains. On this account, I am convinced that at least 12½ per cent remission should be given.

(4) I may also bring to the notice of the Committee that the fate of superior landholders is worse than any other landholder. If the Government is kind enough to show the concession asked for, the position of superior landholder should also be considered. As it is, I may say it is very difficult for the Inamdar to collect the dues from his tenants to meet the Government obligations and make a living of himself. So, it is a serious matter to be considered.

B. K. GARUDACHAR.

(3)

While I agree in the main with the recommendations of the Committee, I feel, however, constrained to write this minute of dissent as my views in regard to two important points, *viz.*, the scheme of debt conciliation outlined in the report and the suggestion that the land revenue assessment cannot be reduced are somewhat at variance with those of the majority.

2. The compulsory system of conciliation advocated in the report has many drawbacks and disadvantages. It is an attempt at a synthesis of provisions of Agriculturists' Relief Regulation on a wider scale with the laws of arbitration and insolvency. The avowed object of this is to give relief to the raiyat who is sunk in the morass of indebtedness. The pervading poverty of the Indian raiyat population is a matter about which even the Simon Commission Report has given a harrowing description. While it is admitted on all hands that the remedy lies in a comprehensive scheme for the liquidation of the illiteracy of the masses and for the amelioration of their economic conditions by means of improving their methods of production and distribution and affording them adequate credit facilities by the extension of banking and co-operative institutions, it is necessary that some interim remedy must be found to give them immediate relief in the present period of acute economic depression.

3 The scheme of debt conciliation is one of the several methods tried in some parts of India with varying measures of success. The *sine qua non* of the successful working of the said scheme is the existence of some agency which would undertake to pay down in cash the settled debt forthwith or spread over some period of time. Such an agency might be either the Government or the Co-operative Credit Societies such as Land Mortgage Banks. I agree with the view of the majority when they say that it is neither practicable nor possible for the Government to shoulder this responsibility at present. The only other alternative therefore is the establishment of the Land Mortgage Banks in all parts of the State which would undertake to liquidate the debts. But this is a remote possibility. To introduce compulsion without creating means whereby the money lender would be recompensed for the sacrifice he makes, would be most inequitable besides being detrimental to the credit facilities that are at present available. With the shrinkage of credit that inevitably follows on the introduction of the compulsory scheme, the agriculturist would be deprived of the monetary help that he is getting from the local sowcar. The private money lender is an indispensable factor in the rural economy of Mysore and he is serving the credit needs of a vast rural population and it would be hardly possible to find a substitute for him in the immediate future. The average rate of interest charged by the local sowcar is comparatively very reasonable and moderate. As compared with his brethren in the Punjab and in other parts of India, it must be said to his credit that he is much better in his dealings with the raiyats than they, and he does not generally exploit the agriculturists by means of unconscionable transactions. The eventual disappearance of this class of money lender which would result from the introduction of the compulsory scheme of conciliation proposed in the report would have disastrous consequences on the rural population.

4. From the experience of the actual working of the Land Mortgage Bank, we have seen that it is not possible to secure easy, quick and satisfactory credit facilities to the agriculturists. The fault is rather inherent in the institution itself than in any personnel working it. On the other hand, a private money lender who is in constant contact with the agriculturist takes risks and advances money even though there is no adequate security and thus provides facilities to the agriculturist even in cases where the Land Mortgage Banks would hesitate to do. So, in short, unless the Government undertakes the responsibility for the amortisation of the conciliated debt either as in Bhavanagar or as in Cochin which I need hardly say is not practical politics in Mysore and provides adequate credit facilities for long-term loans on the security of real property hereafter, the scheme of compulsory conciliation cannot yield any fruitful results. Besides, such a measure would savour of a piece of socialistic legislation and creates undesirable apprehension in the minds of the money lenders. I hold, therefore, that if the scheme were to be worked on a voluntary basis it would prove successful. The money lender would be amenable to scale down the debt when he would be sure that the Land Mortgage Banks would undertake the responsibility for their liquidation. Moreover, I do not see the justice of calling upon a creditor to scale down the debt which is below 60 per cent of the debtor's assets when the latter could cleanly retain a margin of 40 per cent of his assets even after the clearance of his debt. And when the debt remains above 60 per cent of the assets even after conciliation, the Land Mortgage Bank does not advance any money for the liquidation of such debts. So much so, the operations of the Land Mortgage Banks in giving amelioration to the hard hit debtor is very narrow. I know from personal knowledge that there are many money lenders who are prepared to forego the interest on the debts and even a part of their principal if ready money is paid immediately. Instead of this, to force them to consent to the reduction of their debts and drive them to the tedious course of petitioning the Revenue Authorities for the realisation of instalments in the first instance and in the event of their attempts proving ineffective there then to direct

them to Civil Courts is a poor consolation indeed for the large sacrifices they are called upon to make. Persons who have experience of the psychology of the rural population know full well that the success of private arbitrations that take place in the villages to settle monetary claims popularly known as *panchayetics* is largely due to their working on a voluntary basis and the want of legal sanction attached to the decision arrived thereat. The moment these *panchayeties* are armed with powers to implement their decisions, there would be ample scope for corruption. In conclusion, I am of opinion that the only hope of success of the scheme for conciliation lies in its voluntary basis.

The next point about which I hold a different opinion from the majority is their suggestion that it is not necessary or expedient to recommend any percentage reduction of land revenue assessment since the benefit it confers on the bulk of the agriculturist is problematical while on the other hand the loss it entails to the Government is considerable. We have it on good authority that the incidence of land revenue in India is extremely heavy compared with other taxes and the Land Revenue System is not in consonance with that prevailing in other civilised countries and that is based on many averages like average rainfall, average crop, average prices, etc., with no reference to actualities besides being inelastic. Manifestly, therefore, any percentage reduction of land revenue assessment, whether the result is tangible or otherwise, would have the effect of removing an obvious inequity. However small the relief might be, it is much needed to the already impoverished raiyat and most welcome. At present, the rate of assessment leaves him a very narrow margin for subsistence and sometimes nothing at all. The large landholders also will be relieved to a very great extent and there is no reason why they should be treated on a different basis in regard to this question of reduction of assessment when the majority has recognised in another connection that the present depression has hit them hard. I submit that both on grounds of principle and necessity a reduction of at least 12½ per cent in assessment should immediately be given effect to. If the Government are not prepared to reduce the land revenue assessment as a permanent measure, they might give a 12½ per cent remission, tenable during the period of depression wherever it is necessary; and this concession should be open to such of those who would take advantage of it before a prescribed period of time. This would not only benefit the raiyats but also the Government inasmuch as it facilitates revenue collection.

B. S. PUTTASWAMY.

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(4)

AGRICULTURAL INDEBTEDNESS.

I am against the introduction of the Scheme of Debt Conciliation on a compulsory basis as it will not bring any immediate and substantial relief to the raiyat. It brings down the credit of the agriculturist and spoils the harmony existing between the money lender and the raiyat. It is a system which is impracticable and unworkable in a big State like ours.

The question as to what relief the raiyat should get as against the money lender is more complicated as it is necessary to guard the interest of the money lender also. I admit that the raiyats are heavily indebted and their indebtedness is rendered all the more acute by the fall in prices of both land and commodities. It is also true that they are not in a position to repay the debt in cash or kind unless the debtor alienates his land. It is equally true on the other hand that the local money lender being misguided by the temporary boom in prices and depending on the high value of land, invested everything he had on local banking, so much so that in many cases the borrower is in a better position than the money lender, who in his turn is often indebted to a bigger money lender.

It must be said to the credit of the local money lender that he is very moderate in his rate of interest which, on an average, never exceeds 9 to 12 per cent. The rate of interest prevailing in some places is from 3 to 6 per cent. I think the rate of interest charged in our State is much less than what it is in other countries. The local money lender is also considerate according to the seasonal conditions reducing the rate of interest and giving the debtor ample time for the repayment of interest or capital. He never rushes to the court and if he does, it is with the greatest reluctance when he finds that there is no other alternative. The same money lender must come to the rescue of the raiyat when he is in distress. He provides him with money when his land is in danger of being forfeited for arrears of revenue and provides him with grains when faced by starvation.

The exhorbitant money lender in the State is he, who comes from other countries with a grim determination to make money. It is he that charges a high rate of interest and never sparing in his dealings. It is against such money dealers that protection is needed most. It is necessary to introduce legislation controlling such money lenders.

I agree entirely that the raiyat requires relief as against the money lender and at the same time I stress the need for maintaining the confidence existing between the money-lender and the raiyat. The raiyat should not lose his credit with the lender and the money-lender should not be allowed to fleece the debtor. It is the law of human nature that there must be debtors and creditors in every country. The Government, however much it may try, cannot make a country entirely debt-free nor is it possible for it to become the banker for the whole country if the local money lenders refuse to advance loans to the raiyats; nor is it possible that a situation will arise when the raiyat can get on without incurring further debts. Borrowing and lending is quite essential and an absolute necessity. The money-lenders are not very particular when they get back their money provided they feel their investment is safe. The loan at this time is opportune and it is the most opportune moment because the raiyat was never more in need of borrowing.

So, while giving relief, we must take care that the harmonious relationship is not affected. We have to safeguard the interest of the money lender in the interest of the raiyat himself. We may ask the creditor to wait till the present conditions materially improve. Let us ask him to make as little profit as it is consistent with the present times. At the same time, it is our duty to make him feel that his investment is safe irrespective of when he gets it back or what return he gets on it. Let him not feel that he is exposed to the danger of losing his money. The Agricultural Relief Act has done more mischief than good. The lender has tightened his slender purse fearing that he would never get back his money and the needy borrower not being able to raise loan at the time of his need recklessly alienates his lands. So, I do not feel that there is any need for introducing Debt Conciliation Scheme as its introduction is attended with many difficulties. It is a measure which is impracticable and widens the already existing gulf caused by the introduction of the Agricultural Relief Act between the creditor and the raiyat. It is better that such conciliation is left to the parties themselves instead of putting pressure on them. This scheme, if introduced, cannot be put into operation immediately as there is no agency which is in a position to pay all the conciliated debts and the amount to be paid after conciliation will be enormous. It is believed that the total indebtedness of the State comes to nearly thirty crores. Granting that the entire debt is conciliated, for twenty crores, who will pay this amount? It is said the Government must issue bonds for the amount conciliated. But I am not sure if we are wise in asking the Government to commit itself to such a policy in the interest of the State. We cannot take Bhavanagar as an example, where it was a question of a few lakhs. In this State, it is a question of crores.

It is also suggested that the Land Mortgage Banks will come to the rescue of the debtors by taking up and paying the conciliated debts. In the first place, the operation of the Land Mortgage Bank must extend throughout the whole State and to achieve this it will take ages. What is wanted is immediate relief to the raiyats throughout the whole State at this time of depression. So, we cannot ask the debtors to wait indefinitely till the whole State comes under the operation of the Land Mortgage Bank. It is not all the debts that these banks are prepared to pay. It is only such debts as are covered by sufficient security and when the assets exceed the liability by at least 40 per cent. As a matter of fact, there is no need to conciliate such debts at all as the debtor is quite capable of discharging his debts in such cases.

As regards bad debts, where the assets and liabilities are equal, the Land Mortgage Banks will not be of any use as they do not come to the rescue of such debtor. In such cases, it is suggested that the debtors should surrender all their assets after which they will be adjudged insolvents. I am not sure by adopting this method we are giving any relief at all to such debtors who are most in need of relief. We are driving them to ruin by depriving him of everything he has, which he might have retained if the Conciliation Board had not interfered. The value of his assets might be low in view of the present depression and the value of land might have gone up if he is given some time. The creditors also would be quite willing to wait till better times come or if it is left to the parties themselves, the creditor would have been more considerate by sparing a part of the debtor's land for his maintenance. The interference of the Debt Conciliation Board will render him a pauper with nothing to depend upon.

In conclusion, I submit that this system of compulsory conciliation is impracticable and does not bring any immediate relief to the raiyat. If any such scheme is to be tried, it must be on a voluntary basis.

Reduction of the Rate of Interest.

If we want to give immediate and substantial relief to the raiyat, it is by reducing the rate of interest substantially and make it apply to the existing debts, and if possible by giving retrospective effect to it. It is proposed to limit the rate of interest to 10 per cent in case of secured loans and 15 per cent in case of unsecured loans. By adopting this rate,

we are practically retaining the existing rate of interest. It is said that reducing the rate of interest will affect the working of the Banks and the Co-operative Societies. In the first place, I do not see any reason why these banks also should not reduce the rate of interest, especially when the money market is so cheap and when they can get any amount of money with Government guarantee at 3 per cent. Another argument advanced is that indiscriminate lowering of interest may give rise to fraud. No fraud can be committed regarding the existing and prior debts and secondly many will be satisfied to get a small return on their investment provided they get good security.

Let me give a concrete example of the immense relief given to the debtor by the reduction of interest on existing loans. If a debtor has borrowed one thousand rupees at 12 per cent, he will have to pay annually Rs. 120 to the creditor. If you reduce the rate of interest to 6 per cent or even 8 per cent, we will be saving him annually 40 to 60 rupees. This is certainly a much greater relief than a possible reduction of land revenue by 25 per cent. So, I contend that the agriculturist can get substantial relief by the reduction of the rate of interest substantially and make it apply to the existing debts. I propose the following sliding scale:—

Amount of debt	*Secured debt*	*Unsecured debt*
Rs.	Per cent	Per cent
500	9	10
500 to 1,000	7	8
1,000 to 2,500	6	7
Above 2,500	5	5

If the rate of interest according to this scale is adopted, I think it will immensely help the raiyats.

Remission of Land Revenue.

This is always a vexed question and the question of the remission is always embarrassing both to the Government and the raiyat. On one side, we cannot be blind to the fact that any percentage reduction of land revenue, however small it may be, will involve a loss of good portion of Government revenue and cripple its resources. It must be also admitted that a small reduction of annas two in a rupee does not materially help the small land owner as he has still to pay annas fourteen and his difficulty will not be mitigated much.

On the other side, it is equally true that the raiyats are very hard hit. His condition is pitiable. He is hardly able to realize the cost of cultivation though he toils for the whole year incessantly. The prices of commodities have gone down by more than 50 per cent and added to this is the uncertain seasonal conditions due to scanty rainfall. The raiyat looks forward to the Government to come to his help at this juncture. The raiyat expects that he must be taxed in proportion to the income he derives from his land. From the raiyat's point of view, there is justification for reduction by 50 per cent. Unfortunately, this is impossible under the present financial conditions when the Government itself cannot make both ends meet. These are days of depression both to Government and to the raiyat.

What is wanted at this time is mutual help and co-operation. The raiyat though he is very much hard hit should not make a high demand by asking indiscriminately. The Government should not express mere sympathy. It must be realized that a concession, however small it may be, will be quite welcome by the raiyat. This year especially, owing to precarious rainfall, the raiyat has been completely paralyzed. So, I recommend the following reliefs to be given:—

(i) To give adequate remission of land revenue in areas where there is total failure of rainfall or the rainfall is so little that it raises a reasonable presumption that the crops are very poor.

(ii) To remit the land revenue this year by 12½ per cent throughout in view of the general depression prevailing.

Though the small land owner might not be benefited much, the middle class of people who suffer most will get a substantial relief.

J. M. IMAM.

(5)

I have signed the report subject to the following note of dissent :—

LAND REVENUE ASSESSMENT.

It is not without the greatest reluctance that I dissent from the views expressed in the report on the question of land revenue assessment. All the arguments against the reduction of land revenue assessment pressed by some members leave me, however, unconvinced. Even some of the members who urged and still urge the need for a reduction would not unite in making a demand for a substantial reduction on a uniform basis. Under the circumstances, a split is unavoidable. I hope, it will not, on that account, be suspected that I do not participate in the admiration which the ability and the honesty of purpose of the Committee so justly deserve. That admiration should not, however, prevent me from taking a different view from that of others on a question which is of vital moment to the poor taxpayers at present.

The outstanding question for consideration in view of the present condition of agriculturists is the heavy burden of land tax. The level of taxation in Mysore, as elsewhere in India, is admittedly very high, as the system is not based on the capacity of the people that pay it. Nowhere is the burden of the land tax in relation to the produce or the income of the raiyat so heavy, as in Mysore, poor as it admittedly is. Besides, the percentage of indirect taxes on necessaries is far higher than in many other countries. A comparison of the average income *per capita* and the taxes in richer countries like England and America with those in Mysore would readily show that the taxation in Mysore is far beyond the capacity of its poverty-stricken raiyats. To suggest that the level of assessment in Mysore is not too high is to overlook the fact that the burden which has been placed on the raiyat is far greater than he could carry, impoverished as he has been, by the combination of a number of adverse circumstances. It is argued that the number of small land owners being very large according to statistics available, the concession asked for would be inappreciable from the point of view of each raiyat, while Government would be deprived in the aggregate of an appreciable amount of revenue. It is not a question to be treated in that manner. The gains or losses of individual owners or of the Government ought not to be considered. The land in India, in the confirmed opinion of all economists, has to bear too much burden out of proportion to its capacity for production. Mysore is no exception to this rule. What with the high rate of assessment and the inevitability of increase at every revision, and the consequent increase in rents, the actual cultivator has been hit so hard, that all spirit of enterprise has gone out of him, and it is in sheer dread of dire want that agricultural operations are being carried on. Added to this, the low price of agricultural produce, as a result of depression, without any corresponding reduction in assessment has hit the raiyat very hard and borne him down with crushing pressure on all sides. Apart from the material loss resulting from such a condition, the loss on the moral side is still greater and farther reaching. It has produced apathy and engendered a feeling of helplessness. At such a crisis as the present one in the life of the people, any little help rendered to them by an agency which rules over them would engender hope and courage by the assurance of the ready sympathy and assistance which it gives. It is not, therefore, the smallness of the material gain to the individual or the magnitude of the loss to the Government, that should weigh. What is required is co-operation and understanding between the rulers and the ruled in tiding over the difficulties which at present the raiyat feels he is left to suffer alone. Immediate and ungrudging concessions would create fresh hope and trust in the existence of a helping agency near by and inspire confidence and courage in the cultivator. Howeiver little it may be, Government should do what it can and should not take into considerat on the smallness of the benefit to the people. The raiyats in the villages know what even an anna is worth in these days of diminishing incomes, poor out-turns, dwindling business, growing unemployment and disastrous breakdown of purchasing power. Further, the harshness of the system of recovery of land revenue renders the concession, however small, of tangible value, because the revenue dues have to be paid on pain of forfeiture of all interest in land. It would, therefore, be essential that without any regard to the money value of the benefit, Government should extend its hand of fellowship to the people, and prove that they sympathise with them, feel for them and are equally ready to suffer difficulties with them. We are not asking too much, if we request the Government to extend their full sympathy to the people and help them to tide over the present difficulties by instilling in them hope and courage.

Further, the pressure on land in India is not of recent origin. It is a matter of growth distributed over a long, long period of years, due to causes which are now a matter of history.

It is enough to say that land is the one source of revenue on which all successive governments, from the dawn of history up-to-date, have depended to meet the cost of administration. The pressure was not felt over much in the early days, as life was simple, luxuries were absent and the cost of living was considerably low. As civilization advanced and life became more complex, articles of luxury came to be dumped into the country and, by degrees, all such luxuries became in the course of time indispensable necessities. People increased their expenditure and the Government followed suit. As long, however, as the prices of agricultural produce were high, and the value of land was rising and land owners commanded credit, no actual difficulty was experienced, though the seeds of the present disastrous situation were being sown. Neither the people nor the Government thought of the future, and every one believed that the above conditions would continue indefinitely. But that was impossible, and the crisis came. There are no signs of improvement in the near future. To hope for better times and remain apathetic or idle without making serious efforts to apply proper remedies, would be suicidal. Even rich countries in the west have visualised the dire consequences of apathy and indifference, and are straining every nerve to infuse hope and courage in the people. Almost every one of them has taken special measures to protect its producers in various ways during this period of crisis. For example, the State Governments in the Australian Federation established Farm Relief Boards in 1931 soon after the depression and the extraordinary functions assigned to these Boards to afford relief to the farmers show the extent to which these Governments have gone in helping the agriculturists to carry on their operations in these difficult times. These Boards are empowered to take charge of the farmers' income and distribute it in accordance with a scheme of preferences. One noteworthy feature in this scheme of preferences is that the living allowances of the agriculturists have the first claim on the available income and the rates and taxes due to the Crown take the next place. The reverse is the case in this country even during this period of crisis. The taxes due to Government take precedence over every other claim and no consideration is paid to the needs of the agriculturist, whether he has margin or no margin for his sustenance. Mysore, a comparatively much poorer country when she knows that agriculture is passing through a period of depression unparallelled in history and when she also remembers that 80 per cent of her population directly depend on it for their sustenance cannot remain idle, but should fully realise the immensity of the problem of relieving the acute distress now prevailing throughout her territory.

As regards the Land Revenue policy of Mysore, it is sought to make it appear that it is almost perfect. Whatever might have been the case with the system in the past and however perfect it might have been under the conditions of an earlier period, it is time, the Government realised, that it has become far too antiquated now to be satisfactory or equitable.

The recent rise in the prices of some commodities affords no valid ground for refusing the reduction of land revenue. That rise is only a precursor of a further set-back in the agricultural life of the State, due as it is to the failure of crops for want of rains and the exhaustion of stock from previous harvests. The cumulative effect of the continued slump in the past with all its evil consequences on the financial resources and other contractual obligations of the land owning and cultivating classes has also to be borne in mind.

The other argument regarding the land revenue assessment not being in excess of the conventional one-sixth gross produce is not convincing. That convention has no standing now. The principles governing the land revenue policy of the modern Governments have no comparison to those of the past, as could be seen from the fact that the spirit of liberal outlook that was being shown in the matter of remissions and other concessions to the raiyats in times of need, is thoroughly absent at present. Nor must it be forgotten that the conditions of life then were not so complicated as they are at present, which accounted for the ability of the raiyats to meet the revenue demand. That factor cannot, therefore, be taken as an argument to defend the position of the Government under the present system of their land revenue administration.

Other alternatives which are suggested, such as the reduction on a sliding scale and the liberalisation of remission rules, do not have regard to the collective benefit that would secure something for all, irrespective of the tract or tracts requiring different treatment. Considered from the point of view that the depression and its effect are widespread, the relief in this direction should be universal and sufficiently substantial to be of appreciable benefit to the raiyats who are hard hit by the depression. Further, these alternatives can be of little or no practical benefit, as these would entail palpable difficulties in judging the conditions existing. It is a process of a laborious routine and is bound to prove thoroughly unsuited to the present day situation of the raiyats requiring relief.

It may be that judged from official canons the conditions of State's Finances would not admit of such reduction, but it is by no means a sound argument to adduce especially at this time of great hardship to the raiyats. The unprecedentedly high fall in prices in recent years

has depleted the private purse even more than the public coffers. The reduction no doubt involves an appreciable loss to the Government but to do nothing in the matter at this juncture would involve greater loss. What the Government ought to do is to adjust its expenditure to the decrease in revenue. If Government fails to recognise this fact, the consequences will not be happy for either the Government or the public.

It cannot be that those who opposed the demand for general reduction, were so oblivious of the strongly felt and widespread public opinion in the matter as not to be aware that the ultimate rejection of that demand by the Government would most certainly not make for a happy and contented peasantry in the State. Nor can I believe that the Government, whatever its previous views on this point, would fail to respond to an unanimous recommendation of the Committee for the reduction of the land revenue. It is regrettable that this happy consummation was not possible. All the other reliefs proposed by the majority, for adoption, however much they might be good in themselves, will not be productive of much good, unless this major item of popular grievance, namely, the heavy burden of the land revenue is redressed by a reduction of at least 25 per cent as long as depression lasts. It should, however, be understood, that it is not my intention to belittle the value of those reliefs. My sole aim in dealing at such length with the question of reduction is to respectfully invite the earnest and serious attention of the Government to the real situation in rural areas of the State, with a view to securing a reduction of the land revenue in response to the widespread public opinion in this behalf.

This question of reduction is to the people one of vital importance at this time of chronic depression, and it is only by granting their request for reduction that the Government will have identified themselves with the best interests of the people.

I make a special plea for the reduction of the Bagayet assessment in the Malnad, so as to render Bagayat cultivation there sufficiently lucrative. The general low economic condition of Malnad raiyats, which has been aggravated by the long continuance of the low level of prices of areca and other garden produce makes it imperative that the Government should give the Malnad raiyats, repeated request for a substantial reduction in the rate of assessment on Bagayat lands, their most sympathetic consideration.

REVENUE AND OTHER CONCESSIONS.

Irrigation Cess.

Regarding the above, I do not see any justification for the continuance of the cess in the taluks where the same came to be levied separately in 1903, contrary to the express orders of the Government in 1875 abolishing the separate levy, as the cess was held to have been merged in the assessment. In the year 1917 or so, the Government directed that no separate levy should be made in respect of taluks to be resettled thereafter but it is unfortunate, the separate levy is still being continued in the taluks in which the resettlement had already taken place. It would be found, from a reference to the proceedings of the Representative Assembly of 1924 and 1925, that the Government admitted the injustice of the separate levy of the cess in the taluks settled between 1875 and 1903 and which were resettled after 1903 and conceded that the cess was a double levy as the increase in the assessment was calculated on the basis of the old assessment, which included both the cess and assessment. The Government Order subsequently passed ignored the just claims of the people suffering from this admittedly double levy. I do not see why, in the face of such incontrovertible and strong arguments in favour of abolition of the Cess, the Committee should hesitate to move the Government for at least a temporary remission, if not the abolition, of the cess, as a measure of relief during this period of depression. I would earnestly urge the abolition of the cess, as that would go a great way to relieve the poor tax-payers at this juncture.

Agricultural Indebtedness.

I would insist on compulsory conciliation for redemption of debt with no discrimination, without which no effective redemption of debt is possible. I would also insist that in order to make the whole scheme of debt redemption a success, the Government should provide for some effective means of paying off the compounded debt. I am strongly of opinion that no amount of indirect method of assistance by Government would meet the situation. Nor are the Land Mortgage Banks and the Co-operative Societies the only agencies that can effectively take up this debt-clearance work. So heavy is the debt and so urgent is the question of its redemption, that, I think, these institutions may not be able to tackle it single-handed and direct assistance by the State, as in Bhavanagar, is essential in order to mitigate this growing evil. The interests of the State are so materially involved in the matter of the well-being of the most numerous and the most helpless classes of the tax-paying population, that the solution

of the growing evil of their debt cannot be delayed any longer. The State help is needed for the very cogent reason that the initiative of the State and its direct action is necessary to inspire confidence. No other organisation in the country has such a diversified, intelligent and widely diffused agency at its disposal.

The Government need not expend its funds. The funds would be forthcoming, if it only undertakes to organise the agency and sets it to work. All that the Government will have to do is to organise a Loan-Lending Bureau, empower them to receive deposits at fixed rates and lend them at slightly higher rates of interest to the borrowers, on the security of lands, the excess rate providing for a gradual amortization of the debt in a definite period, as also working expenses.

Government should also encourage Land Mortgage Banks to spread their operations throughout the State without any delay (1) by large subsidies, at far cheaper rates of interest, in addition to guaranteeing of interest, as now, on debentures raised by them, and (2) by exempting their business from all stamp duties and other charges.

I am not in favour of fixing any limit as to the aggregate of the debts in the case of which conciliation may be effected. If, however, it is not possible to do away with restriction of this kind, the maximum limit ought to be raised to at least Rs 20,000 so as to cover a large majority of debtors whose debts exceed the proposed maximum limit and who are, by reason of their indebtedness in a more helpless position than the debtors proposed to be brought within the scope of the proposed provisions as to conciliation. In this way, the relief should be extended to a wider circle so as to allow a very large number of middle class landed proprietors to recover their credit and solvency. Besides, the prescribing of the limit is bound to give rise to unsavoury disputes and lead to a good deal of perjury in the initial stages of court proceedings to the prejudice of even those whose cases may fall on the border of the prescribed limit.

HOSAKOPPA KRISHNA RAO.

APPENDIX I.

Note of the Director of Agriculture in Mysore.

With referenee to your R. O. C. 308—34-35, dated 7th August 1934, I have the honour to furnish below a statement showing the approximate cost of cultivation of certain important crops grown in the State, the average yield per acre and the value of the produce calculated at current rates. The cost of cultivation figures are averaged from a very large number furnished by the District Staff of the Department and may be taken to be fairly applicable to the generality of raiyats. The figures given for yields are, however, quite the reverse; they are subject to very large variations due to the seasons, soils, manuring, irrigation facilities, incidence of pests and diseases and the quality of the cultivation itself. Many of these factors often bring about either a doubling or halving of the yields given in the table, according as they act on the favourable or unfavourable side. In fact, for the improvement of the agriculture of the State one has to look for strenuous endeavours in the direction of strengthening the favourable factors and the removal or mitigation of the unfavourable ones. Improvement in the irrigation facilities, the growing of better varieties, the use of better implements, more adequate manuring, remedial measures for diseases, in fact all the activities now coming within the work of the Agricultural Department have to be developed, expanded and made to cover the State as widely as possible. In the course moreover, of certain departmental studies into the cost of cultivation incurred by our raiyats, it has also been strikingly brought out, that a great deal of improvement is possible and urgently called for in the business of farming itself, which will bring about considerable reduction in the cost. It will be necessary to interest raiyats in this new line of activities which I consider an important matter. If by proper measures we can see that crop yields are assured and kept up at a fairly high level, I venture to think that the agriculturist's troubles will right themselves automatically and our endeavours should therefore be mainly directed towards this end. The figures relating to yields given in the table being thus subject to considerable variation, the figures of the returns per acre are likewise not such as will be generally applicable; they are in addition influenced by the fluctuation to which prices are always subject; nevertheless, it cannot be doubted that in the case of the grain crops, ragi and jola and in the case of the commercial crop groundnut, all three of which are very important crops, the value of the produce at the present level of prices hardly covers the cost of cultivation. In the case of the other crops also, a study of the fluctuation in price from month to month, conducted by the Department, reveals that in certain periods prices have been very low indeed, which must have affected raiyats very badly who had to sell their produce at such times. The effect of the low prices is, however, not so severe as it might be, because they have at the same time tended to reduce the cost of living and have also meant considerable reduction in the price of the articles which the raiyat has ordinarily to buy. In the absence of correct data, it will not be possible to assess the value of the mitigating circumstances to see to what extent there has been any counter balancing. Whatever it may be, it does not in anyway affect the hardship of the raiyat in the cases where payments have to be made in money, such as debt repayments, interest charges, taxes and the expenses of education, marriage and other celebrations, and the increased amenities of life that have gradually come in. Many of the factors tending to keep down production have been acting through a series of years, the period of high prices notwithstanding, and the profits of farming have seldom admitted of anything but a moderate scale of living. Unless production is increased, assured and agriculture improved, these factors will remain with us, and operate to neutralise and nullify any measures of financial relief we may devise and adopt. They may be obscured for the time being and may not be felt, but they will be acting all the time and culminate again in a crisis, requiring a repetition of the same kind of relief. We therefore come again to the root of the problem, *viz.*, the improvement of agriculture itself through well recognised methods. All other measures will only afford temporary relief, if this root cause is not tackled.

I may, in passing, invite attention to the proportion which the ordinary assessment bears to the total cost of production. Taking the cases of the different crops mentioned, the proportion is as below:—

Ragi	...	3 per cent to 11 per cent.	Cotton	...	2 per cent to 12 per cent.
Jola	...	2 do to 12 per cent.	Groundnut	...	1 do to 6 per cent.
Paddy	...	12 do to 16 per cent.	Cocoanut	...	20 do
Sugarcane	...	2 do to 4 per cent.	Areca	...	8 do

I do not at all minimise the importance of financial relief; for one thing, it will free the raiyat from the millstone round his neck and enable him to devote his attention to the improvement of his land and make use of such measures as we may sanction or recommend for the betterment of agriculture. Certainly, Government has not been slow to act in this matter and the list of recent measures for financial relief to agriculturists in the State is

certainly one with which one may feel gratified; other measures will, no doubt, be evolved as the result of the present discussions. Measures towards price stabilisation or enhancement, of the kind now adopted in the United States of America under the National Recovery Act and the Agricultural Adjustment Act not being possible with us for obvious reasons; others, if any, which will have the effect of increasing the cash return to the raiyat to some extent at least will have to be gone into. The most important of such measures relates to the marketing side of agriculture. I have already referred to the sale of produce by the raiyats in a glutted market when prices are low. To enable him to avoid this need, and to store his produce so as to release it for sale when prices are favourable will be a desirable step to take. To what extent such holding up will be possible or even desirable considering the deterioration in weight and quality likely in some cases, and what practical methods we may adopt such as the starting of Co-operative Sale Societies, the construction of storage go-downs, financing of stored produce and so on, will all have to be examined. Better markets, and preparation for markets by grading and cleaning and control and regularising of marketing practices,—all these will have to be gone into, so that the produce may fetch as big a price as possible and the producer obtain as big a share of it as possible. The starting of a marketing study with a view to organizing a regular Marketing Board appears to be an important measure we can recommend.

Another financial measure which will have to be considered is the grant of Takavi Loans for agricultural improvement and especially for well sinking purpose. At present, the amount spent is, I venture to think very inadequate, at least four times that amount will have to be spent on this most important work, and I firmly believe that no better investment of Government funds can be thought of. At the same time, it will be advisable to simplify the procedure and speed up the sanction of individual loans, and also to reduce the interest charged. This will largely mitigate the present frequent failure of crops and will also enable raiyats to raise valuable commercial crops and increase their money return. The main objective should be, as I have already emphasised, the improvement of the agriculture of the State through well recognised methods and the voting of very much larger funds than is at present done for this purpose. I shall furnish figures for yields, cost of cultivation, etc., for the other crops like coffee, cardamom and mulberry in time for the next meeting, as these figures have not yet been received from my District Officers. The revision of the standard out-turns, talukwar, is a very elaborate work and will take some considerable time.

Supplemental Note by the Director of Agriculture.

In my note submitted already, I have stated that such measures of financial relief as we may decide upon, *viz.*, the writing down of debts, reduction of interest and the grant of loans at easier rates of interest and on better terms of repayment through Land Mortgage and other Banks will not secure the permanent betterment of the agriculturist, as long as the agricultural industry itself is not improved. This aspect of the problem is now generally accepted on all hands almost axiomatically. Side by side with these measures, therefore, and as an integral part of them should be set on foot schemes for the improvement of agriculture. The Department of Agriculture and the Board of Agriculture under the old Economic Conference have considered a large number of measures calculated to bring about such improvement. On the strictly agricultural side are those that relate to the supply of better implements, the introduction of new crops and high yielding varieties, the popularisation and supply of artificial fertilisers and manures and the control of diseases and, on the animal husbandry side the improvement of the sheep industry, the supply of breeding bulls, larger production of high grade Mysore cattle and the control of epidemic and other diseases. Various other measures have been fully considered by important *Ad-hoc* Committees appointed to look into the recommendations of the Royal Commission on Agriculture and Dr. Coleman's note thereon. The Department of Agriculture has done substantial work on every one of the lines indicated above and it is now necessary to expand the Department in such a manner that there will be a representative of the Department in every hobli of the State. A scheme drawn up some time back contemplated the strengthening of the scientific sections and the appointment of an Assistant Director for each district and an Agricultural Inspector for each taluk and a fieldman for each hobli, so that intensive work may be made possible and prompt measures taken when necessary as in the case of remedial measures for crop pests and diseases. It was also thought that such an organisation would attend to all matters of agricultural importance which though not strictly technical are still of great importance, such as, marketing surveys and improvements, co-operative agricultural organisations, advice regarding irrigation wells and pumps, etc. I am of opinion that the expansion of the Department in the above manner should be strongly recommended by the Committee. I am painfully aware, on the other hand, of the frequent occasions on which the grants are cut down in spite of my strong representations and of the set-back which such a cut naturally leads to. Far from such things happening, I think that a liberal budget for the Department of Agriculture should be a prominent feature of our State, and if this can be the outcome of our recommendations, we should have done much good.

Among extra departmental activities which are essential for agricultural improvement, I should put the matter of improved irrigation facilities in the foremost place. The opening of large irrigation works and the improvement of tanks, large and small, are always on the programme of the Government. But I would here draw attention to the need for well irrigation. At present outside of the channel areas crop raising is always precarious and our first endeavour should be to lift it out of this uncertainty and make it possible for a large number of agriculturists to raise an assured crop on some part of their holding, however small it may be. Well irrigation alone will do this. The introduction of rural electric supply which is expected to expand from year to year, is a helpful new feature in regard to well irrigation which deserves to be exploited in full. Depths greater than will be possible with bullocks can be thought of with the additional advantage of a larger supply and the serving of tracts of country which may not otherwise be possible. A larger permanent and profitable outlet will be provided for the electric power now at our disposal. A large grant of Takavi for well-sinking should be available, advanced either direct or through Co-operative Societies. The digging of new wells, deepening of existing wells, the digging of subsidiary wells under tanks, the furnishing of technical advice according to best known methods in regard to well sinking, prevention of caving in, bore holes and even the execution of well work should all be made the function of a special organisation which should be created. A ten-year programme should be drawn up and pursued steadfastly until we have protected a large section of the country especially in the central and eastern taluks of the State.

APPENDIX II.

QUESTIONNAIRE.

(Please specify the area to which your replies relate.)

I. What are the principal food grains grown in the area? In what proportion are they consumed locally or exported to other places?

To what extent are food grains imported into the area in normal years?

Give the wholesale and retail prices of the several food grains referred to above for each of the years 1900, 1914, 1919, 1929, 1931, 1932, 1933 and 1934.

What are the principal cash crops grown in the area? What proportion of the total acreage under cultivation do they constitute?

Give the harvest prices of the principal cash crops during each of the years 1900, 1914, 1919, 1929, 1931, 1932, 1933 and 1934.

Are stocks of grain more or less than in normal years?

II. How far has the recent slump in prices affected the money income of the owners of:—

(*a*) Large holdings (over 50 acres)

(*b*) Medium holdings (10 to 50 acres)

(*c*) Small holdings (less than 10 acres)

and of agricultural labourers?

III. Has the change in prices affected the normal volume of export and import of trade in agricultural produce in the area? If so, in what manner and to what extent?

IV. What is the present average value per acre, of dry, wet and garden lands in the area as compared with their value in 1929?

V. Have the earnings of raiyats from subsidiary sources, (*e.g.*, sale of milk, grass, hiring of carts, and wages for off-season labour) been affected, as a result of the economic depression?

Is there evidence of any abnormal tendency to pawn jewels in order to meet cash obligations?

VI. Describe the present methods of marketing the principal crops in your District and facilities that exist therefor.

Do the present methods ensure a fair deal between the grower and the purchaser? If not, what suggestions have you to make on this point?

VII. Describe the present system by which the agriculturists in your District obtain finance.

What are the rates of interest charged on the several kinds of loans? Are any unfair or onerous conditions attached to these loans?

Do you consider that the existing system of Takavi and Land Improvement loans is meeting the requirements of the raiyats at present? If not, what changes would you suggest in respect of the issue of loans, speedy disposal of applications, etc?

VIII. Can you give an estimate (based on personal knowledge or enquiry) about the extent and degree of indebtedness of: —

(*a*) large landholders,

(*b*) cultivating proprietors,

(*c*) tenants.

What is the average debt per head of the agricultural population and what proportion does it bear to the average value of land and to the land revenue assessment.

Have any instances come to your notice of the transfers of land on a large scale from the agricultural to the non-agricultural classes on account of the present depression and the indebtedness of the raiyats?

IX. What is your view about the desirability and possibility of introducing a scheme for the conciliation of the standing debts of the agriculturists?

If you are in favour of such a scheme, should conciliation be made optional or compulsory and what, in your opinion, would be the best agency for the purpose?

What arrangements and facilities would you suggest for the payment of the conciliated debt?

X. (i) Do you consider the rates charged on loans to agriculturists to be generally reasonable or excessive?

(ii) Is it desirable in view of the present depression, to limit by legislation the rate of interest on secured and unsecured loans? And if so, what limits would you suggest?

(iii) Should the reduced rates be made applicable to past transactions? If so, from what date should they be so made applicable? State your reasons.

(iv) Should such reduction apply to all debtors generally or to agriculturists and land owning classes only? In the latter case, define whom you would include in this category and state whether the resources of the agriculturists for getting the necessary finance for agricultural operations, etc., would be affected.

XI. A statement of the several revenue concessions sanctioned by Government in view of the agricultural depression is appended.

In what directions, if any, do these concessions need to be supplemented? Please give reasons.

Have you any suggestions to make in regard to the mode of collecting land revenue, including miscellaneous revenue demands, *e.g.*, cesses, village panchayet taxes.

XII. It is stated that legislation regarding usurious loans has been a dead letter in some provinces. Can you state to what extent the Regulation in Mysore is being availed of? Have you any suggestions to make for greater use being made of it?

XIII. What do you think of the effect of the working of the Agriculturists' Relief Regulation on the facilities for obtaining credit and to what extent has it curtailed such facilities? Do you think the Regulation requires any modification in view of the existing conditions?

APPENDIX TO THE QUESTIONNAIRE.

Statement of the several revenue concessions sanctioned by Government in view of the agricultural depression.

1. *Remission of Land Revenue.*—(*a*) The application of the rules of remission on wet lands has been liberalised, so as to make the rules applicable even in cases in which there was failure of crop during a single year (and not in three successive years).

(*b*) Grant of special remissions outside the ordinary rules in respect of tracts where there was widespread failure of crops, owing to excessive rains or other special causes.

2. *Moderation of Miscellaneous Demands.*—(*a*) Collection of Record of Rights fees has been made to commence one year after the completion of the preliminary record and option has been allowed to pay the fees in not more than three equal yearly instalments, subject to a minimum of Rs. 2 per instalment.

(*b*) Deputy Commissioners have been permitted to allow at their discretion suspension of payment of the instalment due on account of loans during the year 1933-34, and in special cases to suspend the repayment of one annual instalment in arrear, if such repayment is found to be unduly burdensome, no additional interest being charged by reason of these suspensions.

(*c*) Similar discretion was vested in the Deputy Commissioners in the matter of recovery of contribution for tank restoration and also of tank maintenance advances.

(*d*) Rates of ordinary and penal interest on Land Improvement and Takavi Loans have been temporarily reduced from 6½ and 8 per cent to 5½ and 6¼ per cent respectively for one year from 1st January 1934.

III. *Relaxation of Coercive Processes.*—(*a*) Deputy Commissioners were permitted to give time to persons who had to make large payments of revenue.

(*b*) Forfeiture of lands for arrears of land revenue was ordered to be confined to those survey numbers on which the arrears were known to have accrued.

(*c*) Restoration of component survey numbers on which assessment was paid was permitted, although there were outstandings on the remaining survey numbers in the khate.

(*d*) It was ordered that no penalty or upset price need be levied, while restoring khates on payment of arrears and of costs.

(*e*) All notice and isthihar fees were remitted after the arrears were paid before the official year, whether the arrears related to the year 1933-34 or previous years and whether the payment was made before or after the sale.

(*f*) Applications for restoration of khate were exempted from payment of stamp duty.

(*g*) Notice fee was reduced to four annas in all cases.

(*h*) Deputy Commissioners were directed to make a liberal use of the powers vested in them under Rule 35 of the Land Revenue Rules, as regards the remission of arrears without recourse to further process by distraint of movables or by proceeding against the other properties of the defaulter in cases where the holding which had been forfeited for default in payment of land revenue due thereon was not sold, or the sale proceeds thereof were not sufficient to meet the arrears.

APPENDIX III.

Statement showing the Land Revenue and other demands in the several Taluks of the Mysore State.

Taluk	L. R. Demand	Cesses	Total	Other demands							Percentage of other demands to Total Demand (Col. 11 to Cols. 4 +11)
				Tank Restoration	Tank Maintenance	R. R. Fees	L. I. Loan	Takavi Loan	V. P. Taxes	Total	
1	2	3	4	5	6	7	8	9	10	11	12
KOLAR DISTRICT.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Kolar ...	1,89,921	27,604	2,17,525	23,032	23,596	47,778	6,132	8,510	15,116	1,24,164	36·3
Bowringpet ...	1,53,070	22,732	1,75,802	15,306	9,701	...	6,105	5,261	15,209	51,582	22·6
Chintamani ...	1,63,042	25,201	1,88,243	4,634	4,444	146	2,691	3,043	18,149	33,107	14·9
Srinivaspur ...	1,56,259	23,765	1,80,024	13,621	18,985	...	7,510	4,037	12,214	56,417	23·8
Mulbagal ...	1,74,989	25,312	2,00,301	4,955	9,767	...	2,878	5,810	11,823	35,253	14·9
Sidlaghatta ...	1,33,041	18,476	1,51,517	4,582	4,235	40,818	3,786	2,623	9,604	65,598	30·2
Chikballapur ...	97,119	13,398	1,10,517	8,427	5,014	36,944	2,485	4,058	14,047	70,975	35·5
Bagepalli ...	1,59,659	15,095	1,74,754	4,213	508	46,696	5,570	3,385	17,004	77,376	30.6
Goribidnur ...	2,00,546	33,637	2,34,183	7,950	8,161	73,288	7,536	7,541	22,514	1,26,990	35·1
Malur ...	1,38,638	20,088	1,58,726	12,760	2,896	...	2,888	4,501	26,108	48,653	23·4
Gudibanda ...	40,180	6,988	47,068	4,596	238	13,908	1,891	3,920	3,415	27,968	37·2
KADUR DISTRICT.											
Chikmagalur ...	2,17,689	24,566	2,42,205	8,223	6,203	...	5,950	9,764	15,400	45,540	15 8
Kadur ...	2,08,277	31,753	2,40,030	8,556	4,740	16,237	2,371	1,317	18,633	51,854	17·7
Narasimharajapur ...	59,487	10,999	70,486	3,965	122	932	4,591	1,907	3,913	15,430	17·8
Koppa ...	1,14,853	27,569	1,42,422	2,100	...	4,040	5,267	2,763	6,576	20,736	12·7
Mudgere ...	1,54,028	26,644	1,80,672	...	...	...	5,977	5,037	12,008	23,022	11·3
Tarikere ...	1,45,476	23,845	1,69,321	4,367	12,222	4,638	640	1,266	21,414	44,547	21·8
BANGALORE DISTRICT.											
Bangalore ...	1,89,693	29,165	2,18,858	1,715	24,330	19,320	6,334	2,027	19,567	73,293	25 0
Kankanhalli ...	1,30,532	14,949	1,45,481	780	...	...	1,547	3,780	21,847	27,954	16·1
Magadi ...	1,52,268	20 128	1,72,396	2,734	...	59,611	832	745	13,982	77,904	31·1
Channapatna ...	1,07,432	13,030	1,20,462	6,156	11,684	82,820	2,771	2,300	14,952	1,20,683	50 0
Closepet ...	88,849	8,751	97,600	2,588	1,156	41,592	2,347	2,072	9,952	59,707	37·9
Dodballapur ...	1,92,173	23,471	2,15,644	2,913	20,074	69,162	3,811	3,971	15,417	1,15.348	34·8
Nelamangala ...	1,48,845	18,864	1,67,70'	7,660	9,640	59,493	2,557	1,852	14,560	95,762	37·1
Hoskote ...	1,98,405	23,182	2,21,587	5,414	14,074	...	3,575	2,238	12,721	38,067	14·6
Devanhalli ...	1,45,511	18,499	1,64,010	...	7,440	...	1,204	779	8,741	18,164	9·9
Anekal ...	1,58,490	17,456	1,75,946	2,135	2,586	...	1,123	1,430	21,864	29,138	14·2
SHIMOGA DISTRICT.											
Shimoga ...	1,18,735	30,849	1,49.584	3,750	190	764	5,893	6,263	17,237	34,097	18·5
Tirthahalli ...	1,91,767	36,995	2,28,762	67	...	...	2,828	2,290	9,020	14,205	5·8
Sorab ...	2,38,631	39,929	2,78,560	3,502	7,770	2,688	1,567	6,884	18,686	41,097	12·8
Kumsi ...	42,970	7,657	50,627	4,203	2,459	...	1,039	2,888	3,999	14,588	22·3
Channagiri ...	1.70,641	23,180	1,93,821	6,094	4,025	57,135	618	1,133	23,811	92,816	32·3
Shikarpur ...	1,81,642	29,492	2,11,134	1,100	135	4,123	1,422	8,035	8,936	23,751	10·1
Sagar ...	1,75,619	31,265	2,06,884	1,000 Contribution 1,000	487	1,300	2,053	1,256	12,011	19,107	8·4
Honnali ...	1,34,673	16,944	1,51,617	2,875	294	25,846	147	3,768	14,348	47,278	23·2
Nagar ...	1,21,792	21,273	1,43,065	1,928	...	10,438	1,217	305	4,354	18,242	11·3

Statement showing the Land Revenue and other Demands in the Several Taluks of the Mysore State—*contd.*

Taluk	L. R. Demand	Cesses	Total	Other demands							Percentage of other demands to Total Demand (of col. to cols. 4 and 11)
				Tank Restoration	Tank Maintenance	R. R. Fees	L. I. Loan	Takavi Loan	V. P. Taxes	Total	
1	2	3	4	5	6	7	8	9	10	11	12
CHITALDRUG DISTRICT.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Chitaldrug ...	1,39,864	20,568	1,60,427	2,086	3,983	27,631	3,116	1,517	19,069	57,402	26·3
Challakere ...	1,37,508	24,795	1 62,303	7,163	1,083	14,829	3,323	2,673	19,148	48,219	22·9
Hiriyur ...	1.10,290	18,726	1,29,016 Contribution	1,339 } 4,525 }	1,295	40,862	1,982	2,682	13,581	66,266	33·9
Holalkere ...	1,16,428	15,612	1,32,040	211	1,972	8,676	517	612	18,548	30,536	18·8
Davangere ...	1,33,286	18,431	1,51,717	41	1,733	6,568	380	385	20,663	29,770	16·4
Molakalmuru ...	60,662	10,169	70,831	...	3,969	4,988	842	1,870	10,547	22,216	23·8
Jagalur ...	73,782	10,457	84,239	1,250	2,499	...	609	925	12,351	17,634	17·3
Hosdurga ...	87,738	13,763	1,01,501	...	15,091	57,209	552	1,608	23,329	97,789	49·0
Haribar ...	83,748	11,540	95,288	...	...	399	146	232	14,187	14,964	13·5
TUMKUR DISTRICT.											
Tumkur ...	1,98,073	31,578	2,29,651	4,546	14,182	40,006	5,494	8,572	30,021	1,02,821	30·9
Kunigal ...	1,47,046	23,876	1,70,922	46	2,624	1,38.493	7,287	2,497	20,023	1,70,970	50·0
Sira ...	1,93,758	26,390	2,20,148	2,368	1,131	..	13,981	7,616	22,148	52,244	19·4
Tiptur ...	1,88,996	26,632	2,15,628	4,152	3,902	29,748	4,188	888	29,408	68,286	22.07
Madhugiri ...	1,56,725	26,230	1,82,955	3,294	7.888	...	44,852	25,175	22,903	1,01,112	36·4
Chiknaikanballi ...	1,27,695	20,842	1,48,537	1,365	6,312	...	2,972	1,231	17,450	29,330	16·4
Gubbi ...	2,24,996	29,186	2,54,182	3.087	14,847	71,288	14,552	11,337	29,818	1,44,979	36·3
Pavagada ...	1,00,122	15,680	1,15,802	4,300	14,100	...	23,149	12,337	17,977	72,163	38·3
Turuvekere ...	96,952	11,981	1,08,933	3,045	2,584	51,339	3,939	1,221	11,960	74,088	40·1
Koratagere	84,990	13,399	98,389	1,932	6,976	...	7,255	5,569	15,885	37,617	27·6
HASSAN DISTRICT.											
Hassan ...	2,39,019	26,654	2,65,673	16,986	1,258	...	3,370	904	17,926	40,444	18·6
Belur ...	1,78,118	29,075	2,07,193	...	4,891	...	3,197	1,622	18,590	28,500	12·0
Manjarabad ...	1,86,276	25,431	2,11,707	2,464	...	14,281	9,246	1,763	11,292	39,046	15·5
Arsikere ...	1,99,302	25,993	2,25,295	1,811	6,282	...	2,140	2,590	24,293	37,116	14·1
Holenarsipur ...	1,06,860	11,997	1,18,857	2,743 Contribution	609	98,792	2,244	952	9,174	1,14,517	49·0
Alur ...	78,505	8,562	87,067	4,200	...	20,440	1,598	390	6,031	32,659	27·2
Channarayapatna ...	2,48,468	25,936	2,74,404	8,915	2,481	2,04,817	1,224	424	18,100	2,30,991	45·7
Arkalgud ...	1,49,379	16,590	1,65,969	...	...	1,10,682	1,467	990	13,100	1,26,239	43·2
MYSORE DISTRICT.											
Gundlupet ...	1,05,276	13,212	1,18,488	15,972	78	...	3,804	2,050	20,948	42,852	26·5
Krishnarajpete ...	2,12,036	31,584	2,43,620	23,281	6,076	...	2,731	667	24,500	57,255	19·0
Mysore ...	1,34,666	19.435	1,54,101	12,445	331	30,282	5,405	1,015	16,040	65,468	25·2
Maddur ...	1,24,636 }	16.638 }		5,133 }	2,635		2,894	592	20,000	1,17,183	37·1
Water rate ...	51,176 }	5,603 }	1,98,053	*86,429 }							
Mandya ...	1,02,309 *Irwin Canal	13,555 Contribution	1,15,864	1,639 *1,88,312 }	15,893	...	3,179	1,684	18,120	2,28,827	66·3

Statement showing the Land Revenue and other demands in the several Taluks of the Mysore State—*concld.*

District	L. R. Demand	Cesses	Total	Other Demands							Percentage of other demands to total demand (of col. 11 to cols. 4 and 11)
				Tank Restoration	Tank Maintenance	R. R. Fees	L. I. Loan	Takavi Loan	V. P. Taxes	Total	
1	2	3	4	5	6	7	8	9	10	11	12
MYSORE DISTRICT-*concld.*	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Seringapatam ...	2,51,969	36,464 Canal	2,88,433 Contribution ...	1,610 25,576	906	65,500	638	231	17,200	1,11,661	27·9
Malvalli ...	90,867	18,818	1,04,680 Contribution ...	828 6,412	1,947	...	15,074	1,101	15,466	27,328	20·7
Chamarajnagar' ...	1,69,016	28,012	1,97,028 Contribution ...	1,471 4,279	12,734	94,267	10,054	9,398	28,358	1,60,561	44·9
Heggaddevankote ...	75,055	9,740	84,795	620	1,115	...	6,772	794	9,716	19,017	18·3
Periyapatna ...	61,723	8,459	70,182	...	1,476	...	746	121	8,542	10,885	13·4
Nanjangud ...	2,22,911	31,794	2,54,705 Contribution ...	*8,922 1,20,675	437	87,745	6,133	2,017	24,435	2,45,394	49·0
Nagamangala ...	1,35,193	18,601	1,53,794	4,046	1,357	2,10,442	2,528	2,239	18,433	2,39,045	60·8
Krishnarajnagar ...	3,14,704	58,390	3,72,119	+236							
(Yedatore) ...	4,025	(Tank Channel	Contribution ...	1,184	...	...	4,315	...	22,959	80,903	17·8
			Contribution ...	52,209							
Hunsur ...	1,19.265	13,044	1,32,309	‡13,295	1,856	...	3,364	348	16,967	35,830	21·3
T.-Narsipur ...	2,08,603	28,654	2,37,257	1,99,229	1,524	97,179	11,852	29,533	17,609	3,56,926	60·0

* Acreage Contribution † Tank Restoration ‡ Contribution

Statement showing the Land Revenue and other demands in the several Districts of the Mysore State.

District	L. R. Demand	Cesses	Total	Other Demands							Percentage of other demands to total demand (of col. 11 to cols. 4 and 11)
				Tank Restoration	Tank Maintenance	R. R. Fees	L. I. Loan	Takavi Loan	V. P. Taxes	Total	
1	2	3	4	5	6	7	8	9	10	11	12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Bangalore ...	15,12,198	1,87,495	16,99,693	32,095	90,984	3,31,998	26,101	21,239	1,53,603	6.56,020	27·8
Kolar ...	16.06,414	2,32,246	18,38,660	1,04,026	87,565	2.59,578	48,972	52,739	1,65,203	7,18,083	28·1
Tumkur ...	15,19,353	2,25,794	17,45,147	28.135	74,846	3,30,874	1,32,669	76,493	2,08.593	8,51,610	32·7
Mysore ...	23,83,430	3,41,998	27,25,428	7,68,803	48,365	5,85,865	65,489	51,820	2,73,293	17,99,135	39 7
Hassan ...	13,85,927	1,70,238	15,56,165	32,152	15,521	4,49,012	21,486	9,885	1,18,506	6,49,512	29·4
Shimoga ...	13,76,470	2,37,584	16 14,054	25,519	15,360	1,02,294	16,784	32,822	1,12,402	3,05,181	15·9
Kadur ...	8,99,760	1,45,376	10,45,136	27,211	23,287	25,847	24.786	22,054	77,944	2,01,129	16·1
Chitaldrug ...	9,43,306	1,44,056	1,0,87,362	16,615	31,625	1,61,162	11,467	12,504	1,51,423	3,84,796	26·1
Total ...	1,16,26,858	1,6,84,787	1.33,11,645	10,34,556	3,87,553	22,46,180	3,50,754	2,79,506	12,66,967	55,65,466	29·4

APPENDIX IV.

Statement showing the area (in acres) under occupation and crops in the State :—

Year	Area under occupation	Area cropped
1905-06	72,57,499	57,73,717
1911-12	75,45,519	60,47,453
1916-17	78,43,601	65,25,850
1921-22	79,14,982	60,72,140
1926-27	80,22,536	64,28,714
1927-28	80,42,673	64,57,389
1928-29	80,78,126	65,30,429
1929-30	81,21,045	67,11,450
1930-31	51,16,062	66,38,685
1931-32	79,75,639	65,75,488
1932-33	79,47,016	66,14,171
1933-34	79,31,629	65,64,472

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